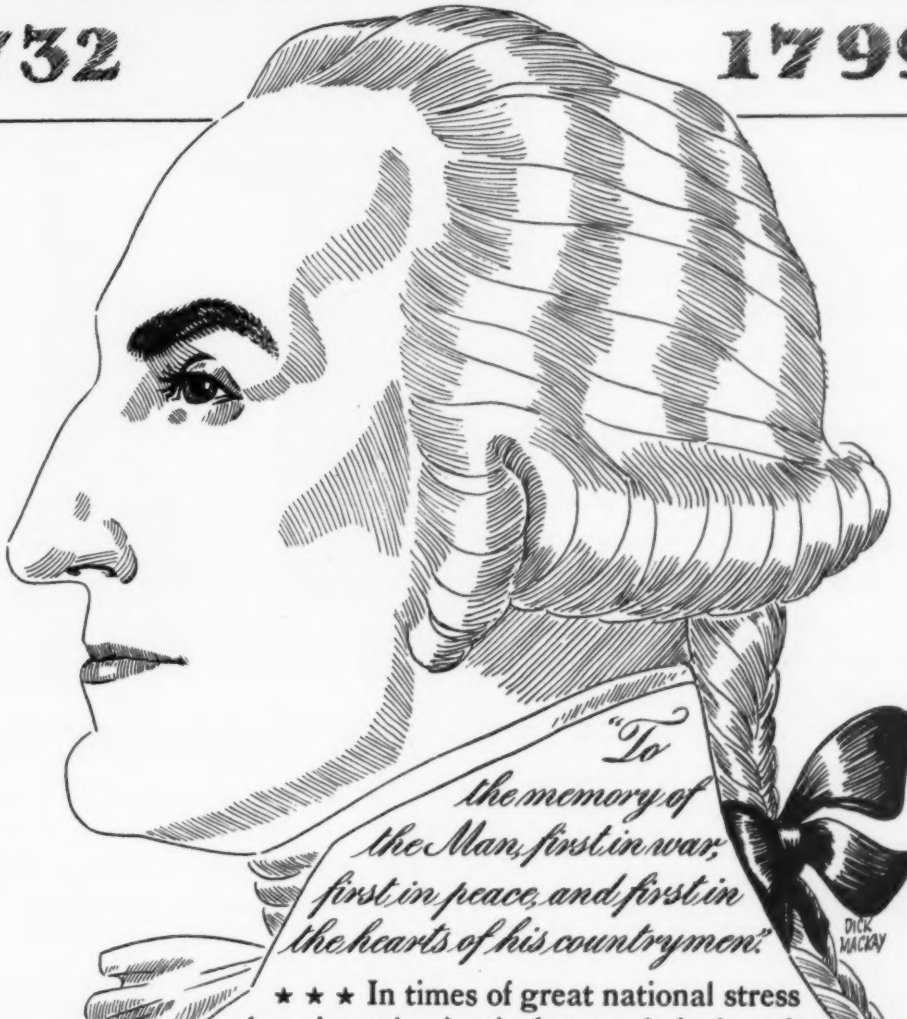


# The NATIONAL UNDERWRITER

1732
1799



*"To the memory of the Man, first in war, first in peace, and first in the hearts of his countrymen."*

\*\*\* In times of great national stress Americans instinctively turn their thoughts to the people and events that have made their country great \*\*\* Washington at Valley Forge... leading fellow patriots in their supreme test of fighting spirit... created that historic ideal of freedom which to us has been entrusted as a priceless heritage. To preserve and defend it against all enemies shall now, again, be the duty, as well as the *privilege*, of every American.

## CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.  
The North River Insurance Co.  
Westchester Fire Insurance Co.  
The Allemannia Fire Insurance Co. of Pittsburgh

Organized 1824  
Organized 1822  
Organized 1837  
Organized 1868

Richmond Insurance Co.  
Western Assurance Co., U. S. Branch  
British America Assurance Co., U. S. Branch  
Southern Fire Insurance Co., Durham, N. C.

Organized 1836  
Incorporated 1851  
Incorporated 1833  
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THURSDAY, FEBRUARY 19, 1942

# BUILDING AMERICA!

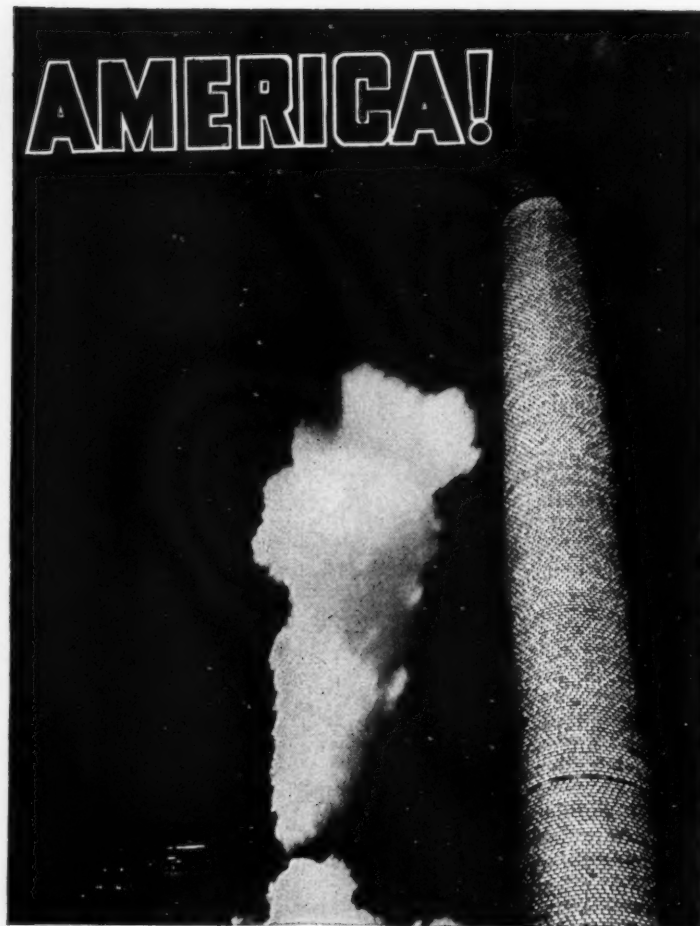
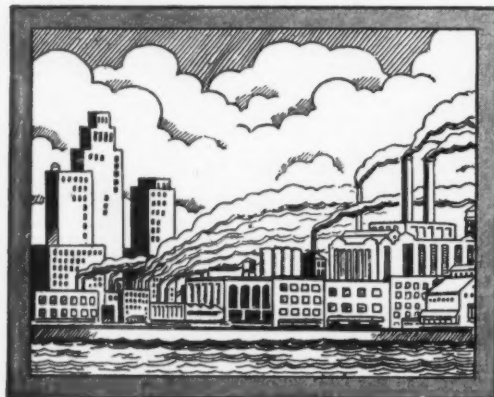
## *Manufacturing*

The existing crisis has focused world attention upon the vast manufacturing power attained by the United States, now geared to a program of National Defense and applied to the cause of justice and freedom.

Preliminary figures for 1940 showed the capital investment in manufacturing throughout the United States to be over FIFTY-ONE BILLION DOLLARS—a per capita investment of approximately \$389. In 1940 the invested capital per dollar of wages was \$4.67. In October of 1941 there were 13,925,000 persons employed in manufacturing, with an average weekly wage of \$35.63.

To provide the machinery, plant and other operating facilities for the employment of wage earners in manufacturing there was in 1940 an average capital investment of \$5,800 for each wage earner.

*Statistics by The Conference Board*



## *Protecting America!*

Without the financial security afforded by insurance, coupled with the invaluable services it renders in the field of loss prevention, the gigantic power represented by the country's manufacturing activity would immediately be imperilled.

Insurance builds a bridge of protection between present plans and their successful fulfillment.

For the business concern and for the family, for employer and for employee, insurance safeguards property, earning power and legal obligations.

Insurance protection is a vital form of National Defense, and in the application of this protection the Royal-Liverpool Groups offer to agents and brokers unexcelled underwriting and service facilities.

# ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

# REMEMBER PEARL HARBOR

**BUY DEFENSE  
SAVINGS  
BONDS and STAMPS**



Western Department  
844 Rush St.  
Chicago, Illinois

Southwestern Dept.  
912 Commerce St.  
Dallas, Texas

Pacific Department  
220 Bush St.  
San Francisco, Calif.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

The Girard Fire & Marine Insurance Company  
National-Ben Franklin Fire Insurance Company  
Pittsburgh Underwriters • Keystone Underwriters  
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee  
Royal Plate Glass & General Ins. Co. of Canada  
The Metropolitan Casualty Ins. Co. of N. Y.  
Commercial Casualty Insurance Company

HOME OFFICE  
10 Park Place  
Newark, New Jersey

Foreign Department  
111 John St.  
New York, New York

Canadian Departments  
461 Bay St., Toronto, Ontario  
404 West Hastings St., Vancouver, B. C.

FIRE · MARINE · CASUALTY · SURETY

*Loyalty Group*  
INSURANCE



# North British & Mercantile Insurance Company, Ltd.

(U. S. BRANCH)

150 WILLIAM STREET, NEW YORK

## FINANCIAL STATEMENT — DECEMBER 31st, 1941

### ASSETS

		%
Cash in Banks and Offices . . . . .	\$ 1,726,428.76	11.1
U. S. Government Notes and Bonds . . . . .	7,452,089.44	48.0
State and Municipal Bonds . . . . .	1,176,666.33	7.6
Railroad, Public Utility and other Bonds . . . . .	1,494,414.45	9.6
Stocks (40% Preferred or Guaranteed) . . . . .	2,588,331.00	16.8
Accrued Interest . . . . .	78,821.97	0.5
Agency and other balances in course of collection not over 90 days due . . . . .	998,356.30	6.4
★ Total Admitted Assets . . . . .	<u>\$15,515,108.25</u>	<u>100.0</u>

(As required by the New York Insurance Department, investments are carried in assets at amortized values on amortizable bonds and at values promulgated by the National Association of Insurance Commissioners on all other bonds and on stocks. Securities carried at \$661,863.47 are deposited as required by state laws, and in addition thereto Cash and Securities carried at \$12,311,195.02 were held in trust by this company's United States Trustee for the protection of policyholders and creditors in the United States.)

### LIABILITIES AND SURPLUS

#### Liabilities

Losses in Process of Adjustment . . . . .	\$ 961,668.00	6.2
Unearned Premiums on policies in force . . . . .	7,072,366.30	45.6
Federal and State Taxes and Sundry Items . . . . .	840,791.52	5.4
Total Liabilities . . . . .	<u>\$ 8,874,825.82</u>	<u>57.2</u>

#### Surplus

Statutory Deposit . . . . .	\$ 500,000.00	3.2
Net Surplus . . . . .	<u>6,140,282.43</u>	<u>39.6</u>
★ Surplus to Policyholders . . . . .	<u>6,640,282.43</u>	<u>42.8</u>
Total Liabilities and Surplus . . . . .	<u>\$15,515,108.25</u>	<u>100.0</u>



★ On the basis of December 31st, 1941 market quotations for all bonds and stocks owned, the total Admitted Assets would be increased to \$16,293,766.22 and the SURPLUS TO POLICYHOLDERS to \$7,418,940.40.



ESTABLISHED 1809



# The NATIONAL UNDERWRITER

Forty-sixth Year—No. 8

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 19, 1942

\$4.00 Year, 20 Cents a Copy

## Pink Named Liaison Man on War Problems

**Named by Commissioners  
to Confer with Insurers  
on Questions of Hour**

NEW YORK—The executive committee of the National Association of Insurance Commissioners at its meeting here appointed Superintendent Pink of New York as the association's representative to confer with fire, casualty and life companies on problems arising out of the war as they affect insurance, particularly in connection with measures such as the War Damage Corporation and the Pepper bill for compensation of civilian war deaths and injuries. Mr. Pink will report back to Commissioner Harrington of Massachusetts, executive committee chairman, who will communicate with the other commissioners.

### Hear Insurance Opinion

The committee devoted practically its entire time to matters connected with the war and heard statements from representatives of the different classes of insurers. It is believed that Mr. Pink's liaison work between the commissioners and the companies will eliminate whatever confusion might otherwise arise in presenting the insurance viewpoint at Washington.

### All But Two Present

In addition to Chairman Harrington, executive committee members present included Gough of New Jersey, MacDonald of Wyoming, Sullivan of Washington, McCormack of Tennessee, Jordan of District of Columbia, Morin of Rhode Island, Hobbs of Kansas, association president, and Read of Oklahoma, secretary.

### Lloyd and Williams Absent

Pink and Gontum of Maryland were present though not members. The two members who could not attend were Lloyd of Ohio, who was forced to remain away because of his brother's serious illness, and Williams of Mississippi, who was detained by official business.

While no mention was made of it in the official statement regarding the meeting, it is understood that several of the commissioners sharply criticized the attitude of some companies that war risk indemnity is not the proper sphere of private companies and should be assumed by the government.

### Aubrey Elliott with FBI

Aubrey Elliott, in charge of the office in San Antonio of the Texas insurance department, has been called into war-time service by the Federal Bureau of Investigation and has left for Washington. The office has been closed.

## Ill. Group Hears Solemn Messages

**Silliman Evans and Paul  
Jones Stir Insurance Feder-  
ation at Annual Luncheon**

Silliman Evans, publisher of the Chicago "Sun," and Insurance Director Jones of Illinois, gave messages of solemn import in addressing the annual luncheon meeting of the Insurance Federation of Illinois in Chicago Tuesday, attended by an overflow crowd of about 400.

Mr. Evans, former president and former chairman of Maryland Casualty, spoke at the outset of the consanguinity of the newspaper and the insurance businesses. Both, he said, deal with facts and both deal with all the potentialities bearing on human life. He went on to say that insurance is sold on the basis of estimates of risks that exist under peace time conditions. Figures based on a peaceful past are projected into a peaceful future. Insurance in none of its branches can be expected to assume the hazards of war and these can only be accepted by the government itself. The inability of insurance to pass the barrier of war is a powerful indication of what war is, he asserted. There can be no insurance against war and no premium will guard against its losses.

### Assails Complacency

Mr. Evans assailed the complacency of the nation in the face of the dreadful peril of the day. He said that the enemy is on the move and that we are not. He spoke in grave tones and the audience was deeply affected.

Mr. Jones who has been in office just a year and had his first introduction to an insurance audience at the meeting of the Insurance Federation last year, reiterated his plea that the insurance business and all industry for that matter, provide its own restraints and self discipline. Such a course, while essential in peace time, must be pursued in war if free enterprise under Republican form of government is to be preserved. Passing the buck to the government, he said, in peace time is slothful but under today's condition it is cowardly and deceitful. There must be intellectual honesty and toughness of character within the industry, he declared. Men within the industry should and do know what ought to be done and competitive rivalry is no excuse for failure to provide proper restraint. Mobilization of the talent of the business for self discipline and self regulation to correct abuses is the only answer to the demand for more laws, more government supervision and regulation.

### Praises Attitude of Insurance

Mr. Jones spoke highly of the attitude of the insurance business in its sense of responsibility toward the public. He said that leaders in the business are free to disclose facts that may be against their interests. Barring a minority that engage in dishonest claim practice and chicanery, the insurance business earns and fully deserves its reputation for honesty, ability and good faith.

The credit created by insurance companies, he said, made possible much of

## Fire Losses in January Up 34%; 12-Month High Mark

Fire losses in January as estimated by the National Board amounted to \$35,565,000. That was an increase of 34.35 percent or \$9,090,000 over January, 1941. A new all time high was established for a 12-month period, at the end of January, the losses being \$331,452,000 or an increase of 11.72 percent from the preceding 12 month period. Previously the 12-month high was \$327,250,904, established in the 12 months ending in February, 1940.

January, 1942, was the 11th consecutive month to have an increase over the corresponding month of the preceding year.

## California Regionals Are Concluding This Week

LOS ANGELES—Regional meetings in southern California for agents organizations were held this week by officials of the California Association of Insurance Agents, assisted by speakers from the Southern California Fire Underwriters Association and Casualty & Surety Field Men's Association of the Pacific Southwest. The series covered Los Angeles, Orange, Riverside, San Bernardino, Imperial and San Diego counties.

The final meeting will be held in San Diego Feb. 20 for the Imperial County and San Diego County agents, with the Insurance Exchange of San Diego as host. V. S. Kerans, state agent Corroon & Reynolds group, will talk on fire subjects and J. R. McWilliams, Fidelity & Deposit, Los Angeles, on casualty.

J. T. Breckon, San Francisco, resident director B. D. O., will discuss the work of that office. Frank Colridge, executive secretary state association, had charge of arrangements.

the great construction of the country and now in war, insurance company millions will be invested in government bonds and then translated into planes, ships and other instruments of war. The business, he said, has helped to make America and now it is helping to preserve America. He pointed out that in Illinois 1,100 insurance companies are licensed, the premium income for the state amounts to half a billion dollars annually and there are 40,000 producers licensed.

John P. Keevers, resident vice-president Maryland Casualty, presided and gave a talk on the place that the Insurance Federation occupies. Dr. H. W. Dingman, vice-president of Continental Assurance, made a plea for the insurance business to meet its quota of \$80,000 in the Red Cross drive in Chicago. James White, Chicago manager of Travelers, casualty department, reported for the nominating committee and presented the slate that was announced last week. E. V. Mitchell, general counsel for Continental Casualty and Continental Assurance, took over the microphone as the new president. Ferre Watkins, head of the liquidation division of the Illinois department, was introduced and John Clarkson of Bartholomay-Clarkson Company introduced Mr. Evans.

## Hint Canadians Decide Against Suspending Rates

**Withhold Announcement  
of C.U.A. Action: Rate Re-  
duction Possibility Seen**

TORONTO—J. J. O'Brien of the Canadian Underwriters Association stated over the long distance telephone Tuesday night from Montebello, Quebec, that the association will issue a statement this week end regarding developments of the two day meeting held at the Seignior club. He said no statement will be issued until the members of the Canadian Underwriters Association return to Toronto.

It was indicated unofficially that still another group of companies had withdrawn from membership in the Canadian Underwriters Association, namely the Phoenix of Hartford group.

### May Not Suspend Rates

Unofficially it is indicated from Montebello that the C.U.A. will not suspend rates, rules, and regulations but rather will quickly move and make every effort to institute substantial rate reductions and to broaden forms and discard much of the regulations that has been accumulated and in force over a period of several generations past.

It was learned that leading executives have circularized their agency forces to the effect that they are in sympathy with the North America's position and demands. Circulars have been put out by Continental of New York and also by Messrs. Elliot and Vallance, Canadian managers of Phoenix of Hartford, all indicating this trend of thought.

It was learned that a resolution was presented by a committee of agents who requested to attend the meeting. The first resolution is understood to have been a request not to suspend the rates and rules and is taken as a desire to cooperate toward an improvement in the existing situation.

### Conant Gives Warning

Effective self regulation must be imposed by fire insurance companies or in the alternative, "the government may have to step in to control fire insurance rates and commissions in the interest of the public and the solvency of our Canadian companies," Attorney-general Conant of Ontario said, in speaking before the annual meeting of Maple Leaf Farmers' Mutual Fire. He declared that the principle of free competition in business, "which most people think is a healthy condition which tends to reduce the cost to the public, has not been so in the fire insurance business, particularly during the last 10 to 15 years."

"Fire insurance rates," he claimed, (CONTINUED ON LAST PAGE)

## Summarizes Regulations on Dealing With "Nationals"

A condensed summary of regulations concerning transactions with citizens of foreign countries has been gotten out for the guidance of its agents and adjusters by the State Farm companies, Bloomington, Ill. The summary was prepared by Russell H. Matthias of the Chicago law firm of Ekern, Meyers & Matthias, and gives briefly and clearly both the situation and a procedure.

"Premiums and other payments may be accepted from anyone, whether a citizen of this or a foreign country.

"Payment of a property loss, life loss, third party liability claim or any other payment may be made to citizens of this country and to most aliens, but should not be made to any alien who is a national of China, Japan, Thailand, Hong Kong, the Philippines or any country of Europe with the exception of Britain and Ireland unless he has resided only in the United States since June 17, 1940, and has not been the agent or representative of any foreign government or any foreign national. The affairs of some individuals and some business concerns have been taken over by the Treasury Department and no payment may be made to those persons or concerns.

### When in Doubt, Investigate

"Therefore, whenever there is any doubt as to such person's nationality, an investigation should be made to determine first, if he is an alien; second, if an alien, whether he is a national of a 'blocked' country, which countries are China, Japan, Thailand, Hong Kong, the Philippines or any European country except Britain or Ireland; third, if a national of one of those countries, whether he has resided only in the United States since June 17, 1940, and has not returned to his former home country during that time; and fourth, whether he has been the agent or representative of any foreign government or national during that time or has been placed under the control of the Treasury Department. If such investigation does not definitely establish that such person may be safely dealt with, then before making or authorizing any payment the case should be submitted to the home office with full information.

"Under the circumstances, it is suggested that no person be solicited who is a national of one of the previously mentioned 'blocked' countries unless he has been residing at all times in the United States since June 17, 1940.

"It is important to remember that these are general instructions and cannot be sufficiently detailed to cover every possible situation. Consequently, any unusual situation, not adequately covered herein, should be reported to the home office.

### Reports of Alien Property

"Reports of alien property have been required and it is probable that additional reports will be required in the future. It should be emphasized that the reports concerning alien property held as of June 1, 1940, and June 14, 1941, includes the property of nationals of all foreign countries, including Canada, Mexico and countries of South America as well as 'blocked' and enemy countries. The report as of July 26, 1941, was for the reporting of property of nationals of China and Japan only.

### Procedure to Follow

"In order to have the information available for a future report it will be necessary to make a record of every claim in which a payment has been made or may be made to a national of any foreign country who was not a resident of the United States prior to April 8, 1940. The following methods have been

adopted for identifying nationals of foreign countries:

"Every adjuster or attorney in his first interview with the claimant or his attorney should inquire if the claimant is a national of any foreign country and if so, whether he was a resident of the United States prior to April 8, 1940. The proof of loss and claimant's release are being revised to include a declaration that the policyholder is not a national of a foreign country.

"If one of these methods reveals that the policyholder or claimant is a national of a foreign country, the adjuster or attorney in charge of the file must have the policyholder or claimant complete and sign Form 983 in triplicate.

"The adjuster or attorney must then explain to the policyholder, claimant or their representative that further procedure must be held in abeyance until the home office or branch office supervising the handling of the file has examined Form 983 and given the adjuster instructions."

## Syracuse Club Hears of Japanese Insurance Angles

SYRACUSE, N. Y.—The Syracuse Field Club was treated to an unusual talk by Kenneth Brown of the New York office of Yorkshire. Mr. Brown for 12 years was manager of the Tokio office of Yorkshire.

The conflagration hazard was an important factor in underwriting Japanese risks, he said. The rates are generally high enough, being considerably higher than in this country, so that in ordinary years the companies usually show an underwriting profit. However, in years of a conflagration no company expects to make money.

There were many local companies doing business in Japan while Mr. Brown was there, several of which were doing a world-wide business, and were highly regarded.

At another meeting of the club a quiz program was held. Two teams were chosen captained by P. D. Fogg, Travelers, and Ed Haseltine, Fireman's Fund.

Richard Hooker, Aetna Fire, president of the field club, acted as master of ceremonies. After the smoke of battle had cleared the judges determined that the team captained by Mr. Haseltine, the younger men, was the winner. The highest individual scorer was Howard Burchell, North British, who answered all questions correctly.

## Auto Theft Men Eye Partial Losses; Reelect Sauter

NEW YORK—At the annual meeting of the National Auto Theft Bureau here last week keen interest was taken in the tire rationing situation and the



FRED J. SAUTER

partial theft problem. Most of the measures suggested were of a precautionary nature since thefts, according to bureau men, have not reached large proportions as yet.

Fred J. Sauter, prominent Chicago agent, was reelected president of the bureau. He is chairman of the governing board. Following the governing board meeting bureau managers met and then the annual meeting was held.

Theft bureau men are making a special effort to see that police departments are equipped to meet the situation, that they have enough men and get the cooperation of the bureau, that they establish and keep records on partial losses, etc. Heretofore, with the public seldom keeping the serial numbers of tires and radios, there was not much point in police departments maintaining a very close record of partial thefts. Many people now are keeping such records, however, and records by the police departments will be helpful. The bureau will continue its special efforts to get the public to keep tire and radio numbers.

While there has been an increase in total thefts, the situation is not con-

(CONTINUED ON PAGE 35)

## Mo. Takes Drastic Action Against 7 Prominent Insurors

### Suspends Licenses Due to Union Electric Case—Hearing March 4

JEFFERSON CITY, MO.—Mason Miller, a vice-president of the Lawton-Byrne-Bruner agency of St. Louis, one of the seven insurance agents and brokers who received notice from Superintendent Scheufler of Missouri Feb. 14 that their licenses had been suspended met Mr. Scheufler in Jefferson City Monday.

Mr. Scheufler said he expects to hold further conferences with Mr. Miller, who was one of the key witnesses in the federal case against Louis H. Egan, former president of the Union Electric Company and the utility in federal court in St. Louis on charges of conspiring to violate the corrupt practices section of the federal public utility holding company act. Mr. Scheufler clarified his suspension order against the seven men, by stating that these men could have their personal business written by associates in their own agency or by other qualified agents and brokers. Under this plan the commission on such business would be segregated and earmarked pending a final decision as to whether the suspension order should be made permanent.

This modification of his order may remove the necessity for the seven men to obtain court orders prior to the hearings March 4 when they must show cause why their licenses should not be permanently taken up.

In the meantime Mr. Scheufler is studying the testimony at the Union Electric trial to determine whether similar action should be taken against other insurance agents and brokers who obtained a share of the commissions on the Union Electric business.

Testimony at the trial, which entered its sixth week Monday, has been that the utility created a fund of some \$600,000 through insurance refunds and kickbacks on attorney fees, construction and material contracts, etc., to be used for political purposes. The company apparently spread its insurance business from political considerations since members of the Missouri assembly and other politicians received commissions on its insurance and surety business.

### Seven Are Identified

The men affected by the suspension orders are:

Carl S. Lawton, president and general manager; Mr. Miller and T. L. Farrington, vice-presidents, and William Byrne, chairman of the Lawton-Byrne-Bruner agency which handled the bulk of the Union Electric's insurance business through Mr. Miller. It is one of the largest general insurance agencies in the west.

Robert J. O'Brien, head of R. J. O'Brien & Co., which handled surety lines for the utility.

McMillan Lewis, an insurance broker registered with W. H. Markham & Co., and a former member of the Missouri senate.

Phelim O'Toole, former St. Louis alderman and former excise commissioner for St. Louis, who now heads the Phelim O'Toole Real Estate Company.

All but Mr. Lewis are licensed both as agents and brokers. Mr. Lewis holds only a broker's license.

Mr. Scheufler had attended some sessions of the trial to hear at first hand

(CONTINUED ON PAGE 35)

## THIS WEEK IN INSURANCE

Executive committee of National Association of Insurance Commissioners names Pink of New York as its representative to confer with insurance companies on the various problems arising out of the war. **Page 3**

Although official announcement is withheld until the week end, hint is given that Canadian Underwriters Association at a special meeting decided against suspending rates and rules and that instead rate reductions will be put into effect and other changes made. **Page 3**

Consequences of the use of renewal certificates in the fire and casualty field are being closely studied these days. **Page 5**

Michigan agents hold semi-annual meeting, featuring wartime problems. New Michigan part-time agents curtailment plan is outlined. **Page 5**

Jacob Nelson of Chicago, manager of the hall department of the Home of New York group, died last Saturday. **Page 7**

Fire losses in January were 35 percent greater than during the same month during the previous year, according to the National Board. **Page 3**

New York financial responsibility law scaring many jalopy owners into insuring. **Page 19**

New federal revenue measure that will undoubtedly include special provisions of interest to insurance is expected to be revealed very shortly. **Page 15**

L. George Benjamin, Jr., has been elected Insurance Commissioner of South Carolina succeeding Sam B. King, who had held office since 1928. **Page 5**

Carl S. Lawton and six other St. Louis insurance men lose agents' licenses in Missouri following Union Electric disclosures. **Page 4**

Hartford Accident is using a standard continuation certificate in connection with the renewal of all casualty policies except compensation and personal accident. **Page 19**

Hartford Steam Boiler advances Corson to board chairman, Gardiner to president; makes other promotions. **Page 19**

War department has assumed the liability for death and injuries to workers on army projects outside the United States due to enemy action. **Page 19**

Insurance rates for coverage required in connection with the civilian pilot training program have been reduced 30 percent. **Page 21**



## Simplification of Renewal Procedure Is Live Subject

Consequences of Use of Certificates Being Studied—Possible Obstacles Cited

DES MOINES—The Iowa department has approved the use of continuation certificates for fire and casualty insurance policies. Several of the Iowa companies have indicated they plan to use such certificates, including Employers Mutual Casualty, Allied Mutual Casualty and Midwestern Casualty.

The question of the desirability and feasibility of keeping fire and casualty policies in force by use of so-called renewal certificates continues to be of keen current interest. The opinion is rather sharply divided. Some leaders in the business, notably President John A. Diemand of the North America, are advocating such a step strongly and with them it has become almost a crusade. They contend that by the use of renewal certificates there would be a worth while saving in paper and in labor, and that hence it would be particularly in the national interest today.

Some observers feel that the business should not impetuously and with a patriotic impulse abandon accustomed procedure until all possible objections are analyzed and the validity and importance of the objections considered. Accordingly, then, not in a spirit necessarily of opposition but in a questioning mood, a number of considerations are being appraised. In general, it may be said that the idea of using renewal certificates is meeting a good deal more resistance on the part of fire insurance companies than in the casualty field.

### Problem of Audit Bureau

Insofar as fire insurance is concerned, there is a special problem encountered in those states in which audit bureaus are operated. In those states the agent's daily report goes directly to the audit bureau. The information that is given on the daily report enables the clerk in the audit bureau to determine whether the business is being issued correctly. If renewal certificates of the abbreviated type that advocates of the procedure envision are used, the audit bureau would not have sufficient data on which to check the rates and if the certificates were expanded to give the essential information, then it would be as much of a document as a daily report. One possibility conceivably might be that when the policy is originally issued the agent furnish the audit bureau with a copy of the daily report to be retained by the audit bureau and then renewal certificates could be checked against the original daily report in the files of the audit bureau. However, the audit bureau managers would probably throw up their hands at that suggestion, as in the populous states thousands of daily reports pass through their offices each day and the operation of checking renewal certificates against old daily reports would be cumbersome and a great deal of filing space would be required. Of course audit bureaus are operated in only a comparatively few states, mainly in the middle west, but they do constitute a definite consideration.

Another observation that is made is that the greatest saving in labor by the use of renewal certificates would be in

(CONTINUED ON PAGE 34)

## Normandie Awaits Salvage Operations



The burned liner Normandie lies on her side at the Hudson River Dock, awaiting salvage operations which navy officials say will go into effect shortly. It will be the most gigantic salvage job ever attempted.—Acme photo.

## Normandie Fire Accents Hazard of Welding

The disastrous fire aboard the "Normandie" has focused attention on the hazards of welding operations in general. Percy Bugbee, general manager National Fire Protection Association, estimates that there were 7,500 fires attributed to blow torches and welding operations during 1940 with a total loss of approximately \$3,700,000.

Although there has been recurring agitation, particularly on the part of local fire marshals, for regulatory legislation it is generally conceded among insurance men that any act would be ineffective. The various situations and conditions under which welding operations are carried on would make the drafting of such a law a highly complicated and practically impossible task.

However, the obvious enough hazard of welding operations would seem to necessitate the use of at least elementary precautions. That this is not always done is gravely apparent in the "Normandie" fire.

Detailed safe practices for the installation and operation of welding and cutting equipment have been published and widely distributed by the International Acetylene Association, 30 East 42nd Street, New York City.

## Benjamin New S. C. Commissioner; King Out After 14 Years

COLUMBIA, S. C.—L. George Benjamin, Jr., of Darlington has been elected by the legislature as insurance commissioner of South Carolina to succeed Sam B. King, who has held office since 1928.

Mr. Benjamin is well qualified for this position, as he has been in the life insurance business for several years, as a special representative of Jefferson Standard Life. He is also an attorney, being a member of the District of Columbia bar. He attended The Citadel and is a graduate of the University of South Carolina.

### Is Member of Legislature

At the time of his election, he was a member of the legislature, serving his first term for Darlington county. Mr. Benjamin is a native South Carolinian. He will take office on his 31st birthday, April 2.

Mr. King successfully contended for the commissionership in 1927 and was reelected without opposition in 1930, 1932 and 1938.

C. E. Walsh has been placed in charge of insurance, real estate and purchases for the Pennsylvania Railroad.

## War Motif Marks Michigan Agents' Mid-Year Gathering

New Part-timer Curb Plan Is Explained and Endorsed

LANSING, MICH.—With wartime problems as the keynote, the mid-year conference of the Michigan Association of Insurance Agents here brought out a near-record attendance of some 300 agents and company representatives.

Agents were commended by Governor Van Wagoner and Lieut. Col. Harold Furlong, state defense council administrator, for their pioneering work in civilian defense.

A resolution was adopted commending Commissioner Berry's efforts toward remedying the part-timer situation.

Guy M. Cox, Iron River, state president, presided. He urged association members to make themselves a "strong factor in their respective communities," co-operating in all war activities. Every agent should do better inspection jobs for his insured, thus conserving the state's resources.

### Governor Pays Tribute

Governor Van Wagoner declared that "the story of the part our insurance people are playing in helping to finance the war and reduce the risks and hazards of the emergency is a story that deserves the gratitude of the nation." He praised Commissioner Berry for his reorganization and departmentalizing of the insurance department, for keeping the department well within its budget, and for backing the association in a "new program of eliminating the unqualified part-timer agent."

Lieut. Col. Furlong stressed the extreme importance of fire prevention and protection in the civilian defense program and commented on the agents' active part in setting up machinery of the fire prevention division of the council. He warned that the Michigan industrial section, where a vast war production program is getting under way, is almost certain to be a target for enemy bombings and sabotage efforts.

### Weathering the War Tips

Fred W. Westervelt, Jr., assistant B. D. O. director, gave the agents some practical tips on how to weather the war period. There may be a substan-

(CONTINUED ON PAGE 34)

## FIGURES FROM DEC. 31, 1941, STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prems.	Losses Paid	Loss Ratio
Agricultural	15,986,267	+591,398	7,002,464	+709,281	3,000,000	3,932,430	-742,383	8,075,366	2,370,608	41.7
Birmingham Fire, Ala.	1,881,892	-34,929	680,870	+45,865	300,000	271,251	-216,764	794,367	376,827	48
Charter Oak Fire	3,125,467	+215,322	732,892	+89,209	1,000,000	1,332,826	+66,373	622,576	147,188	23.6
Citizens, N. J.	3,727,979	+49,726	411,618	+26,227	1,000,000	2,132,655	-20,207	480,834	189,396	39.4
Empire State	4,585,716	+357,247	1,533,810	+204,581	1,000,000	1,485,758	-56,401	1,931,796	765,221	39.6
Employers' Fire	6,922,232	+491,000	2,214,395	+490,469	1,000,000	1,750,000	3,878,189	1,442,730	1,442,730	37.2
General Schuyler	514,008	-25,499	131,845	+7,202	200,000	165,482	-28,032	146,346	94,922	64.8
Hartford Fire	129,671,484	+7,543,998	38,231,765	+2,702,559	12,000,000	60,000,000	+1,964,700	46,586,684	18,653,827	40.0
Iowa Fire	327,806	+492	.....	.....	100,000	215,659	+3,580	5,578	2,225	39.0
Michigan F. & M.	4,723,310	+191,480	1,737,426	+189,919	1,000,000	1,591,121	-67,881	1,882,001	755,973	40.0
National American	1,925,122	+41,002	583,084	+38,850	1,000,000	203,183	-32,051	811,100	388,208	48.0
New England Fire	2,550,717	+23,379	434,356	+47,479	1,000,000	1,024,302	-40,648	468,787	188,252	40.0
New York Underwriters	9,634,356	+477,542	1,649,833	+554,916	2,000,000	5,039,244	-266,917	2,263,020	746,831	33.0
Northwestern F. & M.	3,076,158	-100,464	648,647	+30,043	1,000,000	1,068,431	-2,797	777,952	341,510	43.9
Ohio Farmers	6,281,806	+461,625	3,565,246	+512,275	.....	2,159,238	-202,810	3,770,985	1,487,711	39.4
Plymouth	1,512,891	+271,348	.....	.....	500,000	683,948	-57,401	377,180	67,806	17.9
Rocky Mountain Fire	702,930	+29	110,049	+5,912	275,000	299,666	+16	107,492	53,552	50.1
Security Fire, Ia.	2,012,338	-58,477	965,316	-58,964	500,000	422,450	+693	677,463	306,073	45.1
Sentinel Fire	2,672,421	+4,721	434,356	+47,479	1,000,000	1,143,136	-58,137	468,099	187,686	40.0
Springfield F. & M.	36,779,842	+1,200,535	14,768,122	+1,614,315	5,000,000	13,575,507	-925,349	16,008,769	8,435,261	40.0
Southern Fire, N. C.	1,949,803	+46,267	549,299	+53,044	200,000	1,054,515	-11,424	597,941	217,991	34.9
Travelers Fire	30,109,433	+1,989,063	16,453,925	+2,185,640	2,000,000	5,460,066	-819,254	16,944,119	5,677,561	33.5
Twin City Fire	1,928,672	-6,890	310,305	+15,346	500,000	1,041,989	+3,766	322,012	181,929	41.0
Western Fire, Kan.	1,417,010	-7,873	561,312	+12,803	500,000	234,647	-37,978	837,174	409,930	46.9

<sup>1</sup>Net premiums written exclusive of Hartford reinsurance ceded \$6,486,315.67.



## Insurance Men Study Industrial Protective Work

About 50 inspection bureau managers and casualty company chief engineers from the entire country except Pacific Coast states, met with the management of the National Bureau for Industrial Protection in Washington last week. One of the chief purposes was to acquaint these executives more fully with the aims and objectives of the work of the bureau, and to explain the amended and simplified forms of reports and procedures recently adopted. All field problems in connection with the work were thoroughly reviewed.

The bureau is the Washington office maintained by the Insurance Committee for the Protection of American Industrial Plants. Harold V. Smith, president of Home of New York, is chairman of the general committee which directs the enterprise, and Curtis W. Pierce, vice-president of America Fore, serves as manager of the bureau.

### Hargrett on Hand for Smith

Chairman Smith was prevented by the death of his father from attending. Felix Hargrett, secretary of Home and secretary of the insurance committee, welcomed those attending and extended the thanks of the chairman and the general committee for the assistance the inspection organizations have rendered the bureau in its plant protection efforts.

Manager Pierce presided. He presented detailed explanations of methods and procedures, with Associate Managers E. R. Granniss and R. E. Wilson. Col. H. G. Reynolds and Col. C. G. Richmond of the plant protection division, office of the under secretary of war, described the important efforts of that division toward conservation of plants manufacturing war materials and supplies. Commander J. V. Wilson and senior Lieut. W. H. Lewis, plant protection section, office of the under secretary of the navy, spoke briefly of the same type of endeavors carried on by the navy department.

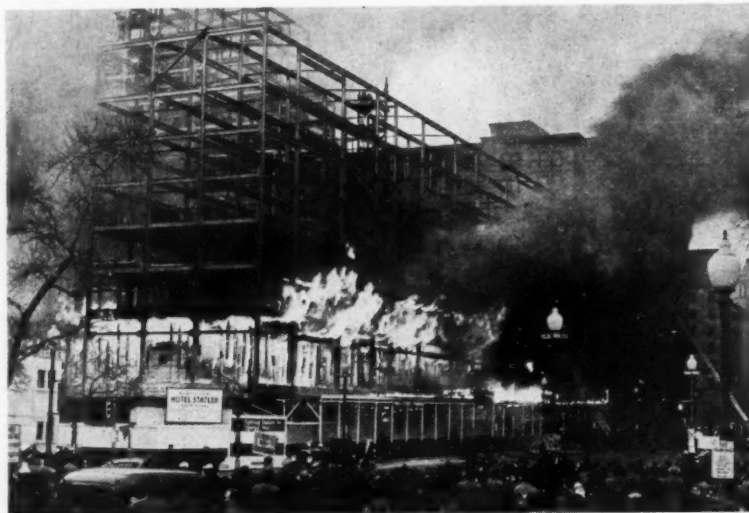
The National Bureau for Industrial Protection has been actively assisting the Rubber Reserve Co. in the protection of reserve supplies of crude rubber. China R. Clark, special assistant of the Rubber Reserve, outlined its needs and scope, and told of the great value placed by it and other emergency supply corporations on the services rendered by insurance organizations through the office of the bureau.

### "Standard" Time Governs Liability in Actual Case

Indicating that the question of what constitutes "standard" time in an insurance policy is not entirely an academic matter, THE NATIONAL UNDERWRITER is informed that an insurance company, since Feb. 9, when the new war time became effective, was confronted with a loss that occurred in the first hour after the policy had gone into effect. If the old policy had expired on the standard time that existed prior to Feb. 9, the new company would not have been liable and the expiring contract company would have had to pay. In this case the new company took the position that war time is standard time for insurance company contracts and admitted liability.

R. B. Stephens of Los Angeles was guest of honor at a dinner tendered by Connecticut Fire on his 50th year as an agent of that company. Among the guests was Dr. McReynolds, president of the Coulter Dry Goods Company, which firm was Mr. Stephens' first client and still is his client. He was presented a smoking stand by the company.

## New Washington Hotel Swept by Flames



The new Hotel Statler under construction in Washington, D. C., caught fire and flames swept through the wooden forms used for setting up the concrete floors. The damage was estimated at \$500,000. The hotel, which is scheduled to be one of the largest in the city, will be delayed in completion, thus adding to the capital's housing shortage.—Acme photo.

### Aetna Fire Men That Gain New Recognition Are Well Prepared for Their Tasks

George Z. Day, who has been elected vice-president of Aetna Fire and each of its subsidiaries, is a native of New York. He began his insurance career with Crum & Forster where he remained until 1922. In that year Standard of New York was founded and Mr. Day became secretary. Later he was elected vice-president, and in 1938 became president of Standard of New York and Standard Surety & Casualty. Last year Aetna Fire purchased the Standard companies.

Douglas F. Kirschman, who has been elected assistant secretary of each of the Aetna companies has been actuary of Aetna Fire since 1939. He joined the Aetna in 1920 at the age of 17, and rose from mail clerk to actuary. He displayed unusual mathematical and statistical talent. He has been employed in the reinsurance and the accounting departments.

Irving E. Crouch, who has also been elected assistant secretary, joined Aetna in 1925 as assistant examiner in the southern department. A year later he was transferred to the special risks department and in 1929 became inspector of the Eastern Underwriters Inspection Bureau, middle states division, and in 1930 he returned to Aetna as an engineer in the special risks department. He was made chief engineer in 1938.

Earl K. Whitney, who was made secretary of Piedmont, was at one time a special agent for Aetna and World Fire & Marine in North Carolina. In 1937 he was made assistant secretary of Piedmont Fire. He entered the employ of Aetna as a mail boy and obtained experience in most of the underwriting departments before he was sent to North Carolina.

### Ga. Stops Licensing Dealers

The Georgia department has stopped the licensing of General Motors automobile dealers as local fire and theft agents for Motors Insurance Corporation. The department had been licensing such dealers on requisition of the company, but protests were received that this was contrary to law. After consulting with the attorney-general's office, the department ordered its license division to issue no more certificates to these dealers. Licenses already issued will remain in status quo until further notice.

### McKittrick Talks with U. S. Attorney-General's Office on Aid for Missouri Case

JEFFERSON CITY, MO.—Attorney-general Roy McKittrick, accompanied by his first assistant, Robert L. Hyder, conferred with U. S. Attorney-general Biddle and Assistant Attorney-general Thurman Arnold in Washington last week.

After the conference, McKittrick said that Biddle had shown great interest in the Missouri anti-trust proceedings against fire insurance companies involved in the Missouri rate case settlement. McKittrick indicated that after Biddle has studied memorandum prepared by Arnold's anti-trust division Biddle would decide what assistance, if any, the department of justice will give McKittrick in his ouster proceedings against the companies. McKittrick said that Arnold is eager to begin federal anti-trust proceedings against the fire companies, but Biddle must give the "go ahead" signal, if it ever comes.

McKittrick has suggested that if the federal government decides to move against the companies the first legal battle should be launched in Missouri, probably in St. Louis, so that Missouri and federal attorneys can co-operate. Arnold some weeks ago assigned a federal "observer" to sit in on the hearings held by McKittrick in Chicago.

### North Carolina Agents Meet in Pinehurst May 3-5

The annual convention of the North Carolina Association of Insurance Agents will be held in the Carolina Hotel, Pinehurst, May 3-5.

In a mail ballot it was decided to hold a short course school at University of North Carolina, Chapel Hill, March 19-20. Registration will start March 18. The list of subjects has been cut to 10, thus giving more time for the study of each.

### Schedule Examinations in Illinois

The Illinois department has scheduled 66 examinations for agents and brokers licenses during the year. They have been arranged at quarterly intervals and will be held in 16 cities. The cities where examinations have been scheduled are Chicago, Elgin, Rockford, LaSalle, Peoria, Galesburg, Moline, Quincy, Bloomington, Kankakee, Danville, Springfield, Olney, Herrin, Mt. Vernon and East St. Louis.

## Others May Want Profits Cover Car Dealers Now Seek

The unusual situation in which motor car dealers find themselves has resulted in a demand for some form of coverage that will protect their profits in case the stocks of new cars they now have on hand are destroyed by fire or allied perils. While it is difficult to tell how much of an insurance opportunity the situation affords, the number of inquiries with regard to the coverage now circulating in the business is considerable. Because it is apparently impossible to write such a coverage, either on a dealer or use and occupancy form adapted to the purpose, with the moral hazard eliminated, it is questionable whether such protection will be forthcoming.

However, some insurance people don't believe the situation can be entirely dismissed because other items, such as sugar and radios, will be curtailed and rationed, and similar demands for coverage made in connection with them.

### U. & O. on Repair Shops

One by-product of the situation is considerable demand that has grown up for U. & O. on automobile repair shops, some of them operated by motor car dealers, others operated separately and independently. This does not present any problems to the insurance people, and is an opportunity for agents because curtailment of new car production means the motor car dealer will have to make a good deal of his income from this source, and tools, parts, and even buildings will be difficult to replace in case of loss. For the independent garage man who makes a large share of his income at all times from repair work, the protection should be particularly appealing because he can reasonably expect an improved business as a result of car rationing.

### No Problem in Normal Times

In ordinary times of course there is no demand for protection of profits by the automobile dealer. His investment is protected with fire insurance and he can readily replace his stock. Today a fire will destroy his profits, which now are extremely vital, and he can get no more new cars.

Before they ceased turning out automobiles manufacturers made a good many more than they ordinarily would in the same length of time and passed these on to dealers. It is estimated that most of the large dealers in Chicago, for example, each have from 150 to 200 new cars on hand. This is 2 or 3 times as many as usual, and they figure that these stocks will last them under the rationing program 1½ to two years. With lower overhead, brought about by decreased sales staffs and other savings, and with increased repair work dealers figure they can at least keep in business and break even during the next 24 months.

### Situation Presents Difficulties

There is no U. & O. form that exactly fits the situation though business interruption comes nearest, if it is written on an unlimited stock replacement basis.

The trouble is that his present circumstances don't alter the fact that the car dealer, like other retailers, does not earn any profits simply by buying merchandise. Curtailment of new cars might be lifted at any time during the term of the insurance and thus remove its purpose. Though he had a partial loss, the dealer wouldn't be out of business until he had sold the remainder of his stock.

Some of the automobile departments have gotten requests for profits insurance on tractors being held for a price rise. In other cases they have been asked to endorse the dealer policy to cover tires taken off of new cars and stored separately.

## Hail Executive of the Home Group Dies Suddenly

Jacob Nelson of Chicago, assistant manager of the Central Hail Department of the Home of New York group, died Saturday evening at St. Joseph's Hospital in that city. Mr. Nelson had been suffering from heart attacks and contracted pneumonia about a week before his death which seriously aggravated his condition. Early last fall he went on a fishing trip in Minnesota intending to stay two or three weeks



JACOB NELSON

but had an attack there and returned to his home after three days. He had primary charge of the hail insurance business of the Home of New York throughout the central west, Pacific Coast and Canada. A few months ago he went to the Pacific Coast and in flying from Los Angeles to San Francisco at a considerable height he had a very serious attack and was in a hospital at San Francisco for a few days. In addition to his heart condition he had chronic bronchial trouble which aggravated his case. He had been at his office, however, regularly until a few weeks before he went to the hospital. He was regarded as one of the great hail insurance authorities in the country.

Mr. Nelson was born in Brevig, Norway, Dec. 14, 1883. His family located at Willmar, Minn., and after he left school he became a clerk in the Bank of Willmar, serving from 1900 to 1905. He then became associated as auditor and relief cashier for the Dallman Investment Company operating a chain of banks in North Dakota, serving until 1913. His first insurance connection was with the general agency of Hazard & Chesley at Des Moines, who operated a hail general agency. In 1915 he went with the Minneapolis Fire & Marine, serving three years there, taking charge of its hail business. He was appointed state agent in Minnesota and the two Dakotas for the American Eagle in 1918 and then was called to the western department in Chicago as executive special agent in 1922. He served that group later as manager of the hail department in the United States and Canada. He joined the Home of New York group as head of its hail department in 1938. Mr. Nelson gradually extended his jurisdiction over the Home's hail insurance business until he covered almost all this country and Canada. He is survived by his wife. He resided at 2151 Granville avenue, Chicago. Funeral services were held Tuesday under Masonic auspices. Burial was at his old home at Willmar, Minn.

The New Jersey Field Club will hold a luncheon meeting in Newark Feb. 24.

## Unadmitted Carrier Can't Be Sued in Assured's Own State

NEW YORK — The New York county supreme court refused to enforce a judgment of a Missouri court against Hamilton Fire, on the ground that the Missouri court had no jurisdiction against the company, which is not admitted in that state. The loss upon which the original suit was based occurred in Missouri in 1936 and the assured was a Missouri corporation. The policy was written and issued in New York.

In the Missouri suit, process was served upon the deputy Missouri superintendent, who forwarded a copy to Hamilton Fire. The company took no action and let a judgment for \$3,600 go by default.

### Service Held Invalid

The New York action was a suit to collect the Missouri judgment, which had been assigned to a New York resident. Hamilton Fire defended on the ground that the Missouri court had no jurisdiction. It was brought out that Hamilton Fire had entered Missouri in October, 1920, but withdrew the following month and had never written any business in the state and had never appointed an agent there. When it was authorized to write business in Missouri it had appointed the Missouri superintendent its agent to accept service of process, but it contended that this appointment was canceled when it withdrew from Missouri.

Judge Hofstadter upheld Hamilton Fire and dismissed the suit, holding the Missouri judgment void for lack of jurisdiction. He quoted the Missouri supreme court as holding that service on the Missouri commissioner is binding only if the suit is based upon a policy issued or liability incurred in the state while the company is licensed to do business there. Since the policy was not issued in Missouri, and since Hamilton Fire was not admitted in Missouri, Judge Hofstadter held that the Missouri insurance department had no jurisdiction over the company and consequently that the court acquired no jurisdiction by virtue of service on the insurance department.

### New Electric Clause in Ohio, Neb.

The modified electrical exemption clause has been incorporated in new dwelling and household furniture forms in Nebraska and Ohio, following the lead of a number of other middle western states. The new clause excludes only electrical injury to electric apparatus from artificially generated currents, while the old clause excluded electricity "whether from artificial or natural causes." In effect, the new form covers electrical burnout caused by lightning. The new clause is officially entitled "dwelling lightning and electrical apparatus clause."

The Nebraska Association of Insurance Agents had made a strong plea for the new clause, with the backing of the insurance department.

### Move to Indemnify Directors

The by-laws of Hartford Fire have been amended to indemnify directors for expense of defending groundless suits against them arising from their activities as directors. Also an amendment was passed creating the office of chairman of the board and setting up executive and finance committees.

### Discusses Fire Policy

W. E. Mallalieu, Jr., assistant educational director of the Royal-Liverpool groups, spoke at a dinner meeting of the Monmouth County Association of Insurance Agents in Asbury Park, N. J., on "The Fire Insurance Policy."



## ORGANIZED SELLING makes more Sales!

It's trite but true that the agent operating on a definite selling plan makes more sales.

Right now, all P. F. & M. AGENTS' target is Personal Insurance; for right now is the logical time to bear down on this class of protection. And in their hands is a well-filled kit of "P. I." Selling helps, smart and practical, designed to help them get more leads, turn more calls into sales.

Pretty soon, at the strategic time, Organized Selling will point out to the P. F. & M. Agent another target—and supply him with fresh ammunition. And so on throughout the year. If curious, write for more information.



## PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

1600 Arch Street

Philadelphia, Pa.

Complete Nation-wide Insurance Facilities for Agents and Brokers

Service Offices located in principal cities.





## Meade and S. D. Group Buy Control of National Reserve

TOPEKA—Holmes Meade of Topeka and associates have purchased control of National Reserve Life of Topeka, including the 10 story home office building. Mr. Meade has been president since shortly after the death of George Godfrey Moore, founder.

H. O. Chapman, W. J. Harris and S. H. Wilcox, all officers of Policyholders National Life of Sioux Falls, S. D., are associated with Mr. Meade in the purchase but no plan for merger or consolidation is contemplated.

Control was obtained through purchase of stock of Mr. and Mrs. A. A. McFall. Mrs. McFall, the former Ida Hayter, was chairman of the company. Mr. Meade remains as president and Clayton Kline, Topeka, vice-president. Mr. Chapman becomes secretary and treasurer, Mr. Harris assistant treasurer and actuary.

Mr. Meade is well known in the fire and casualty business as head of the Meade Investment Co.

## Chicago Insurance Club Elects Kuffel President

W. F. Kuffel, assistant manager Phoenix of Hartford, was elected president of the Insurance Club of Chicago last week. He succeeds Peter Eriksen, Underwriters Service, who completed two terms. Mr. Kuffel has been prominent in the Insurance Club for a long time, having been president several years ago and a member of the board continuously.

Other officers are R. A. Parker, manager Chicago Board, first vice-president; Carlisle Durfee, vice-president and general counsel Progress Insurance Association, second vice-president; H. R. Thiemeyer, brokerage manager North America, third vice-president; Edwin Connelly, Chicago Board, treasurer; Redmond Peters, Hartford Steam Boiler, secretary, and Robert Lutz, Springfield F. & M., librarian. Mr. Connelly was reelected and Messrs. Peters and Lutz exchanged offices.

### Board Members

New members of the board are: one year term, Mr. Eriksen, H. J. Brown, W. J. Roberts & Co.; two years, C. J. Reutter, W. A. Alexander & Co., and Gerard Urbanus, Hanover; three years, H. B. Chrissinger, National Inspection Company, and R. J. Eastburn, Continental-Illinois Bank & Trust Co.

Mrs. Phyllis Finley Boynton, E. H. Walters & Co., was elected an honorary member in recognition of her outstanding services to the Insurance Club. During the past year she was a member of the board and served as chairman of the program committee.

## Auto Dealers Fight Ky. Bill Aimed at Them

LOUISVILLE—The bill, aimed at auto financing companies chiefly, but which prohibits persons or corporations from holding an insurance agent's license for the purpose of writing more than 50 percent of their own business or property has passed the senate and received its first reading in the house.

In endorsing the measure Assistant Insurance Director Vernon Rooks explained that the bill is intended "to prevent coercion of borrowers, discrimination in rates, and indirect rebates to agents who obtain licenses merely to write insurance upon their own property." While not aimed at bank agencies, it might create some trouble there.

The act would block automobile dealers from writing insurance on cars they sell, and as they are at a standstill as a result of loss of new car business, they are much upset. About 200 auto deal-

ers went to Frankfort Feb. 16, headed by Turner A. Summers, Louisville, of the Summers Hermann Co., Ford dealers, and president of the State Auto Dealers Association.

## Vreeland America Fore General Adjuster in South

H. V. P. Vreeland, who has been state agent for America Fore with headquarters at Greensboro, N. C., has been advanced to general adjuster in the southern department in Atlanta. Succeeding Mr. Vreeland at Greensboro is W. L. Brooker, Jr., who becomes special agent for American Eagle and Niagara. He has been division engineer at Greensboro.

Mr. Vreeland has had long experience as special agent and state agent and has also had excellent training in handling loss adjustments in the field.

## C. D. Thomas Heads Agents Group

Charles D. Thomas of Bellefontaine was elected president of the Ohio Farmers Agents Association at the annual meeting in Leroy, O., at the same time as the annual meeting of Ohio Farmers Insurance Company. The new vice-president is Claude R. Hastings of Akron and secretary is F. E. Kirkpatrick. The

## Mutual Companies' 1941 Figures

	Adm. Assets	Unearned Premia.	Net Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Dist.
Alliance-Comp., Kan...	481,508	230,319	249,254	165,946	56,609	186,035	129,741
Atlas Mutual, Mo....	246,956	67,527	131,470	109,072	65,892	131,726	114,008
Auto. Mutual, R. I....	4,692,615	321,417	3,963,489	623,325	69,011	774,371	660,758
Berkshire Mutual ....	1,248,869	887,379	280,163	922,943	396,596	964,565	960,133
Donegal & Con. M., Pa.	375,038	212,825	146,123	235,425	63,314	245,048	205,801
Frankenmuth Mutual.	437,075	225,303	122,846	474,843	305,490	489,725	462,763
Hamilton Co. Mut., O.	1,264,456	206,399	888,063	100,157	27,593	158,223	174,241
Hingham Mut., Mass..	946,445	350,575	579,236	266,217	107,696	310,636	278,129
Ill. Agricul. Mut.....	2,734,751	653,033	937,470	2,271,079	1,218,888	2,842,656	2,229,241
Iowa Mutual .....	1,062,481	424,341	455,314	584,305	295,346	617,641	573,390
Michigan Mut. Auto..	276,495	116,905	66,176	241,671	119,464	249,243	231,546
Mut. Auto Fire, Pa....	488,963	85,742	370,335	174,959	38,207	188,904	113,480
Mutual Auto., Wis....	227,422	84,969	96,750	170,267	108,132	176,855	162,462
Mutual Fire, Me.....	269,936	132,028	113,499	133,857	110,310	184,604	342,498
Southern Mut., Ga....	2,280,396	178,626	1,967,292	357,253	92,773	459,951	458,816
Union Fire, Neb.....	617,977	207,689	295,000	438,579	187,972	454,394	427,218
<b>RECIPROCAL</b>							
Amer. Exch., N. Y....	1,241,322	188,555	914,569	207,877	15,744	255,972	190,366
Affiliated Und., N. Y.	1,329,016	590,673	598,424	656,943	330,825	724,307	635,537
Drug. Ind. Ex., Mo...	268,024	25,972	238,505	72,905	29,802	85,568	80,581
Firep.-Sp. Und., N. Y.	468,678	65,067	347,922	58,250	7,651	81,004	81,967
Individ. Under, N. Y.	2,097,046	418,393	1,548,371	424,404	135,456	525,528	463,385
Met. Inter-In., N. Y.	1,026,539	256,812	701,347	251,731	127,518	299,154	286,458
N. Y. Recip. Under...	1,974,119	340,301	1,520,505	343,939	123,042	435,360	397,121

executive committee consists of Frank Gray, McConnellsville; Howell Jones, Springfield; Frank Copley, Sandusky; F. J. Cronk, Lakewood, and P. K. Tadsen, Port Clinton.

M. P. Ohlman, Jr., agent at Yankton, S. D., has left for California where he

will spend several months vacationing, and also attend the marriage of his niece, Dorothy Jane Shipley of Sioux Falls, S. D.

James A. Grant has been elected secretary and treasurer of Lowell Mutual Fire to succeed W. E. Murkland, retired.



## TAKE A GOOD LOOK

We have a plan for Agents—a straight-forward selling plan—called The Employers' Group Analysis Plan. It gets right to the meat of a man's insurance problems. Shows him what coverages he has—and what coverages he needs—all in a simple, attractive and effective presentation.

Take a good look at the results this plan is getting for Employers' Agents. Our monthly magazine "The Pioneer" gives tips on how it works. For a free copy of the current issue write to The Employers' Group Publicity Dept., 110 Milk St., Boston.

*The Employers' Group...*





## Map U. S. Probe of "Small Business" Insurance Rates

WASHINGTON—Officials of leading fire insurance companies are expected to be questioned at length regarding charges that discriminatory premium rates are charged to small business when the small business committee of the House opens hearings on the subject March 9.

The hearings were called by Representative Patman of Texas, chairman of the committee, as a result of repeated complaints that fire insurance rates are one of the handicaps under which the smaller business establishments of the country are laboring.

There also has been considerable correspondence with the committee on the subject, leading Patman to declare that "the committee has evidence that small firms often are charged unfair and discriminatory fire insurance rates."

## Advancements by Michigan F. & M.

Raymond A. Jacobs of Detroit, and Frank A. Schlesinger of Springfield, Mass., have been elected directors of Michigan F. & M., succeeding Harry E. Everett, deceased, and William H. Lininger, resigned.

William A. Hebert, formerly second vice-president, was elected first vice-president; Francis H. Williams, formerly third vice-president, was elected second vice-president; Grant Bulkley, fourth vice-president, was elected third; Frank A. Schlesinger, assistant treasurer, was elected treasurer; Stewart H. Manson of Detroit, assistant secretary and director, was elected secretary; Wilfred F. Jones, assistant secretary, was elected secretary; Emil J. Hepp, assistant secretary, was elected secretary; Franklin Sanders, investment analyst, was elected assistant treasurer.

Mr. Hebert and Mr. Schlesinger become ex-officio members of the finance committee. Mr. Schlesinger also becomes an ex-officio member of the executive committee, as does Emerson G. Gaylord, director.

The annual meetings of other companies in the Springfield group all were held at the head office Feb. 10. The annual meeting of New England Fire will be held at Pittsfield, Mass., Feb. 20. Similar action regarding Messrs. Manson, Jones, Hepp and Sanders has already been taken by Springfield Fire & Marine and Sentinel Fire.

Mr. Jacobs is vice-president of the Detroit Bank of Detroit.

Mr. Schlesinger, newly elected director and treasurer of Michigan F. & M., is also treasurer of the other companies of the Springfield group.

### H. K. Bartlett Is Advanced

Harold K. Bartlett, formerly assistant secretary of Traders & Mechanics, a New England mutual company of Lowell, Mass., has now been elected secretary and assistant treasurer. Edward W. Brigham, formerly secretary and treasurer, is now treasurer.

### Industrial Fire Protection Talk

F. J. Emmons, special hazards engineer of the Factory Mutuals, Chicago, will discuss industrial fire protection at a meeting of the insured members conference of the Associated Industries of Missouri at St. Louis, Feb. 24. The film, "They're Dropping Incendiaries," will be shown.

### Arrange Defense Plant Entry

Some of the companies are furnishing their key men, such as state and special agents, with identification cards so that they can get into defense plants. Other companies are handling the situa-

tion on an individual basis as occasion arises. When there is need for some member of the organization to enter a defense plant, the visit is arranged with the plant management and the military or governmental authority in charge.

Some time ago company operated adjusting firms began to supply their men with affidavits and other authoritative identification so that in case of loss they could get into a plant expeditiously.

### War Topics at N. J. Rally

NEWARK—A feature of the mid-year meeting of the New Jersey Association of Insurance Agents here March 19 will be a panel discussion on the insurance situation caused by the war, by Leon A. Watson, A. R. Lawrence and William T. Ashby. Dr. Eugene E. Agger, newly appointed insurance commissioner of New Jersey, will speak at the banquet.

Frank W. Kniskern of the Kniskern agency, St. Cloud, Minnesota, and Miss Genevieve Emmer of Minneapolis were married in Minneapolis. Mr. Kniskern is active in the Minnesota Association of Insurance Agents. He is a son of W. N. Kniskern, past president of the Insurance Federation of Minnesota.

The St. Louis court of Cats Meow will have a luncheon meeting Feb. 24.

## Use and Occupancy Gets Much Thought

### Reinsurance Facilities Are Clogged in Some Cases Due to Big Lines

Every company undoubtedly in these days in handling use and occupancy applications takes each case in hand individually and the underwriter spends much time in analyzing the situation, scanning the records, studying the priority situation, the character of work, possibility of loss, etc. Many assured want full value of U&O covered. There are many possibilities of a U&O loss far exceeding the property loss.

An underwriter even takes account of the resourcefulness of the management. He desires to ascertain just what it would mean to a concern to have any delay and what ability is in the executives to turn a trick to get material or supplies. That after all is a factor in use and occupancy underwriting, both in fire and casualty lines.

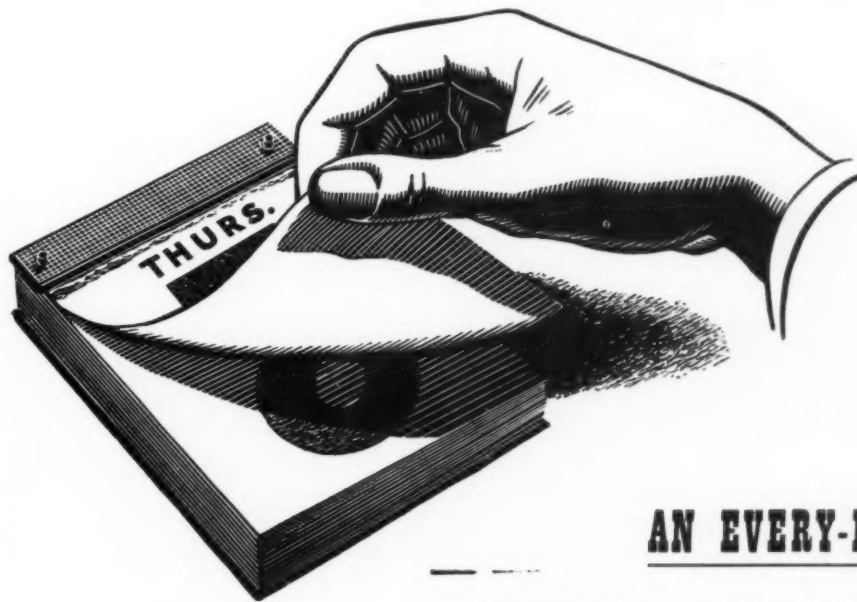
Owing to the war condition, nearly all concerns that have not carried time

interruption indemnity are looking into it and perhaps have been solicited by someone.

The reinsurance facilities have to be considered. A company or group may take the entire property damage line and be able to handle it without any strain but with use and occupancy it might be greatly embarrassed. An agent insists on his company taking the entire risk and when insurance is sought outside, the reinsurer may demand part of the property insurance. This might result in a number of small policies for the property line in order to get reinsurance on use and occupancy. Agents are using every influence to get their own companies to handle the U&O.

One suggestion has been made to alleviate the reinsurance situation and that is that there be a sort of assigned risk pool to take the surplus U&O which a company cannot handle in the regular way. There are so many ramifications now entering into a possible U&O loss that companies are using x-ray methods to enable them to get beneath the surface.

More than 850 insurance people and their friends attended the fifth party of the Insurance Women's League of Detroit, which netted \$500 for the Red Cross. W. A. Gibson, Jr., North British, was master of ceremonies.



## AN EVERY-DAY AFFAIR

ADVERTISING is an every-day affair! It's a part of your business—not a Sunday suit kept for special occasions. Advertising (we mean sales promotion, not publicity stunts) should work right in with your every-day solicitation. . . That's why we specialize in practical, every-day advertising. Advertising to help your customers understand insurance—to help you make sales!



## OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS

## NEWS OF THE COMPANIES

### North British Has Excellent Year

Assets of North British & Mercantile were \$15,515,108 at the end of 1941. Of this amount the company had \$7,452,089 invested in U. S. government notes and bonds. The company's unearned premium reserves increased from \$6,625,636 to \$7,072,366.

Surplus totaled \$6,640,282, which includes statutory deposit of \$500,000. On the basis of Dec. 31, 1941 market quotations for bonds and stocks owned, assets would be increased to \$16,293,766, and surplus to \$7,418,940.

Mercantile of the North British group made an increase in assets during 1941 of \$190,912 and the total is now \$7,692,288. On the basis of Dec. 31, market quotations the assets would be \$334,027 greater. Premium reserve increased by \$166,129 to \$2,223,011. Its capital amounts to \$1,000,000 and net surplus \$4,042,310. Surplus would have been about \$300,000 greater on the basis of Dec. 31 market quotations.

Assets of the affiliated Commonwealth increased \$203,201 and now total \$8,038,482. Capital is \$1,000,000 and net surplus \$5,359,261. Premium reserve amounts to \$2,198,881, an increase of \$218,483.

### Royal-Liverpool

#### '41 Record Analyzed

The total net premiums of all the fire companies in the Royal-Liverpool groups in this country last year amounted to \$43,308,526. The incurred losses were \$18,711,265 or 43.2 percent; adjustment expenses \$1,488,842 or 3.44 percent; taxes \$1,496,710 or 3.46 percent; general expenses \$16,260,855 or 37.55 percent. There was a trading gain of 12.35 percent or \$5,350,854. The increase in premium reserve was \$4,016,763 or 9.27 percent and the underwriting gain was \$1,334,091 or 3.08 percent.

The net premiums of Royal were \$9,690,621 as compared with \$9,051,133 the previous year. The net premiums of Queen were \$7,899,572, of Newark \$3,316,893, American & Foreign \$2,755,900, Capital \$340,968, British & Foreign \$2,913,482, Liverpool \$9,118,333, Star \$2,765,390, Federal Union \$1,274,755, Seaboard \$340,968, Thames & Mersey \$2,209,028.

### Premiums and Assets of Camden Fire Show Gains

Camden Fire, which completed its 100th year in 1941, showed an increase of premiums of \$769,064, for a total of \$6,957,123. Unearned premium reserves went up \$608,317 to \$6,347,241. Assets increased \$315,541 to a total of \$12,776,217. Surplus was \$3,404,577, and capital continues at \$2,000,000.

### Premium Gain for Merchants, N. Y.

The annual statement of Merchants Fire of New York shows assets of \$17,621,655 at the end of 1941. Surplus was \$8,519,827, and unearned premium reserve totaled \$4,393,544, compared with \$4,226,511 the previous year. Net premiums showed an increase of \$436,879 and totaled \$4,751,700.

### Phoenix Premiums Up 13 Percent

Phoenix of Hartford in its new annual statement shows premiums of \$11,561,421, an increase of 13 percent. There was a trade gain of \$1,132,567 and an underwriting gain of \$330,096. Assets were \$65,750,430, an increase of \$310,564. The combined premium writings of Phoenix, Connecticut Fire and Equitable F. & M. were \$19,933,485, an increase of \$2,340,355.

### Hartford Makes Handsome Showing

Net premiums of Hartford Fire were up 13 percent in 1941 at \$46,586,684.

Hartford Fire had a trade gain of \$6,881,644, compared with \$5,047,348 the previous year. Underwriting gain was \$2,568,488 against \$2,212,000 and investment income was \$4,136,320 against \$3,966,601.

Hartford Fire would have increased net surplus \$3,230,843, but \$1,964,701 was used to make net surplus \$60,000,000 and the balance of the actual gain was used to increase the voluntary reserve which now stands at \$9,266,143. Stock of Hartford Accident was carried at \$24,972,500, an increase of \$2,607,500. New York Underwriters and Citizens of New Jersey were carried unchanged at \$6,478,875 and \$2,499,800, respectively.

New York Underwriters had premiums \$2,263,020, gain 55.6 percent; Citizens premiums were \$480,835, 2 percent less. Hartford Livestock premiums \$617,225, up 11.4 percent.

Unearned premiums of Hartford Fire are \$38,231,766; assets, \$129,671,484.

New York Underwriters has \$2,000,000 capital, \$5,039,244 net surplus, \$1,649,833 premium reserve, \$9,634,356 assets. Capital of Citizens is \$1,000,000, net surplus \$2,132,655; premium reserve \$411,618, assets \$3,727,979.

### National Group

#### Premiums Up 14%

National Fire, and the affiliated Mechanics & Traders, Franklin National and Transcontinental wrote more than 14 percent more premiums in 1941 than in 1940.

National Fire had a trade gain of \$986,693 in 1941 against \$757,663 in 1940. The 14.7 percent increase in net premiums written in 1941 at \$18,319,868 necessitated an increase in premium reserves of \$1,807,239, being 75 percent of the increase in premiums written. A statutory underwriting loss of \$744,021 resulted and compared with gain of \$40,926 a year ago. Net earnings from investments were \$1,310,060 and compared with \$1,373,398 in 1940, being comfortably in excess of dividend requirements. Net earnings from underwriting and investments amounted to \$565,639 and compared with \$1,414,325 in 1940. Depreciation in security values amounted to \$1,964,280.

Assets of the National group were \$57,154,650, an increase of \$1,024,643, being the net after exclusion of duplicated items.

Capital of National Fire is \$5,000,000; net surplus \$20,080,996; contingency reserve \$6,500,000; unearned premiums \$17,820,828; assets \$53,220,107.

### C. P. Smith Executive Secretary

Clyde P. Smith, who has been with Hartford Fire 50 years and who has been secretary since 1928, has now been elected executive secretary.

Pomeroy Day, an attorney, and James Wyper, vice-president, have been elected directors of Hartford Fire and also of Hartford Accident.

### Knapp with Secured F. & M.

James Knapp, who has been in the underwriting department of Hartford Fire in Chicago for about 13 years, has joined the recently organized Secured Fire & Marine of Indianapolis as an examiner.

### Northeastern Had Fine Year

HARTFORD—The year 1941 was one of the best in the history of Northeastern. Net premiums were \$5,136,887, an increase of 22 percent over 1940. Un-

derwriting profit was \$121,615, compared with a loss of \$19,672 in 1940. Premium reserve rose \$470,097 to \$5,556,173; loss reserves increased \$383,876 to \$1,002,383. Assets increased \$815,904 to \$7,122,984.

### Potomac Makes Good Gains

Assets of Potomac now amount to \$5,964,885, an increase of \$376,645 for the year. Premium reserve is higher by

\$258,579 and stands at \$2,424,166. Capital is \$1,000,000 and net surplus is \$1,741,520. On a market basis assets would have been \$6,071,631 and surplus to policyholders \$2,848,266.

### Egyptian Mutual Reinsured

Egyptian Mutual Automobile of Salem, Ill., was recently reinsured by Preferred Fire of Topeka.

## Premiums on Principal Lines in 1941

AGRICULTURAL			NATIONAL AMERICAN		
	Net Prems.	Losses Pd.			
Fire .....	\$4,206,986	\$1,754,523	Fire .....	\$242,502	\$71,778
Tornado-windstorm ..	135,372	81,754	Tornado-windstorm ..	41,902	40,392
Sprinkler leakage ..	16,581	5,915	Motor vehicle .....	435,020	244,748
Riot and explosion ..	73,768	1,319	Sprinkler leakage ..	1,259	341
Earthquake .....	7,670	322	Inland marine .....	35,571	12,013
Hall .....	20,560	13,315	Extended coverage ..	55,100	19,276
Motor vehicle .....	1,973,630	1,011,153	NEW ENGLAND FIRE		
Ocean marine .....	1,066,696	321,328	Fire .....	\$288,297	\$107,252
Inland marine .....	213,847	90,155	Tornado-windstorm ..	14,521	9,965
Aircraft .....	32,351	16,737	Sprinkler leakage ..	1,259	341
Extended coverage ..	327,905	74,087	Riot and explosion ..	2,439	132
BIRMINGHAM FIRE, ALA.			Hall .....	20,196	11,158
Fire .....	\$480,857	\$218,701	Motor vehicle .....	74,659	35,833
Tornado-windstorm ..	25,237	4,670	Ocean marine .....	11,778	3,450
Sprinkler leakage ..	3,355	451	Inland marine .....	27,409	11,303
Riot and explosion ..	7,289	1,050	Aircraft .....	1,902	616
Earthquake .....	4,514	68	Other lines .....	25,894	8,175
Motor vehicle .....	214,717	143,422	NEW YORK UNDERWRITERS		
Inland marine .....	26,369	3,810	Fire .....	\$1,444,961	\$424,371
Extended cover .....	32,073	4,647	Tornado-windstorm ..	49,102	16,233
CENTRAL, MD.			Sprinkler leakage ..	6,388	457
Fire .....	\$794,210	\$300,363	Riot and explosion ..	15,680	370
Tornado-windstorm ..	23,156	14,385	Earthquake .....	2,192	.....
Sprinkler leakage ..	3,976	871	Hall .....	9,187	2,248
Riot and explosion ..	11,437	256	Motor vehicle .....	206,125	96,131
Earthquake .....	1,652	7	Ocean marine .....	380,573	164,428
Hall .....	36,027	19,940	Inland marine .....	38,281	10,446
Motor vehicle .....	218,894	96,417	Extended coverage ..	110,495	31,859
Ocean marine .....	43,819	14,311	NORTHWESTERN F. & M.		
Inland marine .....	26,358	9,560	Fire .....	\$419,434	\$150,294
Extended coverage ..	67,001	15,650	Tornado-windstorm ..	29,923	14,348
Rain and flood .....	2,568	1,225	Sprinkler leakage ..	1,477	220
CHARTER OAK FIRE			Riot and explosion ..	3,593	200
Fire .....	\$471,552	\$116,298	Hall .....	40,187	32,763
Tornado-windstorm ..	12,253	5,030	Motor vehicle .....	123,076	66,858
Sprinkler leakage ..	1,812	760	Ocean marine .....	89,804	48,984
Riot and explosion ..	8,425	163	Inland marine .....	36,086	18,833
Earthquake .....	1,020	—	Aircraft .....	1,601	780
Inland marine .....	71,593	13,644	Extended coverage ..	32,174	8,141
Aircraft .....	4,004	1,720	OHIO FARMERS		
Extended coverage ..	51,914	9,578	Fire .....	\$2,027,419	\$753,571
CITIZENS, N. J.			Tornado-windstorm ..	128,370	92,829
Fire .....	\$285,098	\$102,421	Sprinkler leakage ..	3,781	379
Tornado-windstorm ..	8,478	4,461	Riot and explosion ..	8,193	26
Sprinkler leakage ..	1,127	96	Earthquake .....	26,034	.....
Riot and explosion ..	3,003	87	Hall .....	6,271	2,619
Motor vehicle .....	38,849	20,178	Motor vehicle .....	1,315,585	588,808
Ocean marine .....	113,104	50,903	Inland marine .....	58,420	17,579
Inland marine .....	15,493	8,199	Extended coverage ..	196,914	31,900
Other lines .....	14,759	2,703	ROCKY MOUNTAIN FIRE		
EMPIRE STATE			Fire .....	\$79,521	\$38,208
Fire .....	\$945,926	\$420,542	Tornado-windstorm ..	3,308	2,240
Tornado-windstorm ..	32,927	7,956	Hall .....	7,629	5,484
Sprinkler leakage ..	3,706	2,301	Motor vehicle .....	13,046	6,397
Riot and explosion ..	5,405	118	Extended coverage ..	3,869	2,570
Earthquake .....	1,754	132	SECURITY FIRE, IA.		
Motor vehicle .....	270,080	124,480	Fire .....	\$397,174	\$177,397
Ocean marine .....	488,655	149,198	Tornado-windstorm ..	60,618	74,879
Inland marine .....	93,342	41,799	Sprinkler leakage ..	1,047	256
Aircraft .....	14,014	6,352	Motor vehicle .....	143,442	37,305
Extended coverage ..	75,988	12,344	Inland marine .....	6,287	122
EMPLOYERS' FIRE			Extended coverage ..	68,307	16,111
Fire .....	\$1,714,833	\$623,044	SENTINEL FIRE		
Tornado-windstorm ..	55,576	28,621	Fire .....	\$288,297	\$107,253
Sprinkler leakage ..	6,085	397	Tornado-windstorm ..	14,524	9,973
Riot and explosion ..	11,484	372	Sprinkler leakage ..	1,259	341
Earthquake .....	14,499	643,055	Riot and explosion ..	2,491	132
Motor vehicle .....	1,578,104	107,395	Hall .....	20,196	11,158
Inland marine .....	330,813	107,395	Motor vehicle .....	34,525	14,557
Aircraft .....	9,735	3,756	Ocean marine .....	11,778	3,450
Extended coverage ..	165,913	36,882	Inland marine .....	29,057	12,039
Flood .....	1,142	.....	Aircraft .....	1,902	616
GENERAL SCHUYLER			Other lines .....	25,894	8,175
Fire .....	\$79,645	\$53,653	SPRINGFIELD F. & M.		
Tornado-windstorm ..	3,088	3,265	Fire .....	\$9,802,110	\$3,646,632
Motor vehicle .....	57,979	37,214	Tornado-windstorm ..	494,177	339,120
Extended coverage ..	5,552	789	Sprinkler leakage ..	42,837	11,605
HARTFORD FIRE			Riot and explosion ..	84,774	4,484
Fire .....	\$24,234,053	\$8,647,152	Earthquake .....	14,585	656
Tornado-windstorm ..	1,830,397	1,003,832	Hall .....	686,657	379,387
Sprinkler leakage ..	96,550	21,638	Motor vehicle .....	2,540,813	1,219,570
Riot and explosion ..	218,791	19,694	Ocean marine .....	400,462	117,326
Earthquake .....	43,390	393	Inland marine .....	989,587	410,074
Hall .....	1,461,172	889,766	Aircraft .....	72,334	28,428
Motor vehicle .....	8,741,210	4,540,201	Other lines .....	880,426	277,974
Ocean marine .....	3,811,230	965,274	SOUTHERN FIRE, N. C.		
Inland marine .....	3,517,069	1,843,986	Fire .....	\$420,543	\$147,132
Aircraft .....	157,675	78,750	Tornado-windstorm ..	12,710	8,869
Other lines .....	2,475,143	645,137	Sprinkler leakage ..	1,730	2,393
IOWA FIRE			Riot and explosion ..	4,857	157
Fire .....	\$78,035	\$40,404	Earthquake .....	2,450	2
Tornado-windstorm ..	13,765	11,778	Hall .....	55,920	17,164
Extended coverage ..	6,642	8,580	Motor vehicle .....	67,476	33,721
Motor vehicle .....	17,762	5,577	Sup. contract .....	31,910	8,553
Other lines .....	5,577	2,225	War risk .....	337	.....
MICHIGAN F. & M.			TRAVELERS FIRE		
Fire .....	\$1,153,189	\$429,015	Fire .....	\$8,959,488	\$3,028,210
Tornado-windstorm ..	58,136	39,887	Tornado-windstorm ..	232,817	132,660
Sprinkler leakage ..	5,039	1,365	Sprinkler leakage ..	34,438	15,204
Riot and explosion ..	13,372	537	Riot and explosion ..	160,086	14,457
Earthquake .....	1,715	77	Earthquake .....	19,384	104
Hall .....	80,783	44,633	Motor vehicle .....	5,115,160	1,834,317
Motor vehicle .....	298,636	143,328	Inland marine .....	1,360,275	381,701
Ocean marine .....	47,113	13,803	Aircraft .....	76,084	39,386
Inland marine .....	116,228	48,157	Extended coverage ..	986,383	231,727
Aircraft .....	7,610	2,465	(CONTINUED ON NEXT PAGE)		
Other lines .....	103,579	32,702			



## AS SEEN FROM CHICAGO

### STOFFELS AGENCY MOVES

The Edgar O. Stoffels Company agency has moved to new offices in the Board of Trade building, Chicago. The firm was organized in 1909 as Oscar A. Stoffels & Co. Oscar A. Stoffels, father of Edgar O., was one of the first tenants in the Insurance Exchange building when it was opened 30 years ago. In 1929 the agency name was changed to Edgar O. Stoffels Company. This office does a general insurance business, including life.

### FIRE EXAMINERS PROGRAM

The Association of Fire Insurance Examiners of Chicago will hear the work of the Illinois Inspection Bureau discussed at its meeting Feb. 19. C. W. Soderstrom, manager of the bureau; R. O. Matson, assistant manager; J. R. Kearns, superintendent of rating; and R. E. Freeman, superintendent of the sprinkler department, will discuss their duties as officers of the bureau, and then will answer questions from the floor.

### SPRINKLER LEAKAGE GROUP ELECT

Western Sprinkler Leakage Conference at its annual meeting in Chicago elected T. K. Pfafflin, Home, N. Y., chairman; L. C. Thoelecke, Norwich Union, vice-chairman; P. J. Doyle, Western Actuarial Bureau, secretary-treasurer. New executive committeemen are: Harvey Strickler, Hartford Fire; W. B. Alaback, Firemen's, and William G. Martin, America Fore.

### ILL. DEPARTMENT NAMES NOVAK

Leon M. Novak, Chicago, has been appointed deputy in charge of investigations in the Chicago office of the Illinois department. Mr. Novak, a newspaper man and radio commentator, has been editor of Polish language newspapers, and has been Chicago correspondent for Polish newspapers throughout the world. He is closely identified with the Polish National Alliance of Chicago, fraternal benefit society.

### MAYS TO TALK AT JAMES FORUM

Milton W. Mays, director of Business Development Office, will speak before the Fred S. James & Co. insurance forum Feb. 24 at 4 p. m. in the auditorium on the sixth floor of 1 North LaSalle street building, Chicago. Mr. Mays will talk on "The Effects of War Economies on Agents and on the Insurance Business."

### CHICAGO BOARD MEETS THURSDAY

The Chicago Board has called a special meeting of all members for Feb. 19 at 2:30 p. m. in the board auditorium to review the recently adopted resolutions and amendments. Particular attention will be given to the new disciplinary section, and the procedure to be followed in making investigations will be completely explained.

### THOMAS NEW AGENCY HEAD

Norman Thomas recently was installed as manager of the National Insurance Management Agency of Chicago, which is manager in Illinois and Missouri for Pennsylvania Casualty. Mr.

Thomas goes from Burlington, N. C., where for five years he has been associated with an agency operated by the same interests which run the Chicago agency.

Mr. Thomas has had much experience in long haul truck business, in which the Burlington office does a large volume annually. Formerly for 14 years he was associated with Stone & Webster in charge of properties in the south.

### BLUE GOOSE FESTIVITIES

The annual Valentine dinner dance of the Illinois Blue Goose in Chicago brought out a representative, jolly group, despite the fact that the weather was unfavorable and driving was hazardous. In addition to music for dancing there was entertainment. The group that usually goes to this affair is always congenial and it is the high spot of the year socially for the Chicago Blue Goose members.

### APPLEGREN REVISES WORK

George Applegren is discontinuing, effective April 1, the representation of the New York "Journal of Commerce" as news correspondent in Chicago and is also discontinuing his correspondence work for other insurance publications. He will devote his entire attention to publicity work for the Illinois insurance department and other insurance accounts.

### FIRE PREVENTION MEN TO MEET

Representatives of the state fire prevention associations in western territory will meet March 2-3 at the Union League Club in Chicago for a study of all aspects of civilian defense problems.

R. E. Vernor, manager fire prevention department of the Western Actuarial Bureau, will be in charge. The full program will be announced later.

### FIREMEN'S TO 120 S. LASALLE

The western department of Firemen's of Newark, Chicago, will move its offices to 120 South LaSalle about May 1. This follows sale of the America Fore building at 844 Rush street to the federal government. Firemen's, which has 380 employees, will occupy the entire 12th and most of the 11th floors at the LaSalle street location. Combining Firemen's Cook county department offices at the time of the move has been under consideration but still is an open question, according to H. A. Clark, vice-president and western manager.

America Fore last week announced that it will move into the Field building. This takes two of the larger western departments back into the Loop district.

Firemen's, which has been in the America Fore building since it was built in 1923, will have 35,000 square feet of space at the Loop address, under a 15 year lease.

Charles Buresh, vice-president of Fred S. James & Co., Chicago, is leaving Saturday with Mrs. Buresh for a month's stay at Bradenton, Fla.

## NEW YORK

### COURSE IN FUNDAMENTALS

To meet the scarcity of trained people able to take care of work in insurance offices, the Insurance Society of New York is planning to offer a "kindergarten" class in fundamentals of the business.

In the past few weeks, large numbers of young men have been called to military service and the problem of replacing them has been difficult to solve. In many cases women with little or no insurance experience have been hired to replenish the ranks, and their unfamiliarity with

the business has given insurance offices a real problem.

The same situation holds for the country at large, and the result undoubtedly will be to give this type of educational movement a real impetus, particularly courses covering fundamentals. Educational material on all lines is needed and undoubtedly the situation will become more acute now that men over 35 are subject to call.

### H. C. HULLEY IS ADVANCED

H. C. Hulley, who has been special agent in the Long Island territory for Phoenix of Hartford, has now been appointed assistant manager of the New York metropolitan department. He has been with Phoenix since 1936, and has been in the business since 1919.

Timothy A. Luddy succeeds Mr. Hulley in the Long Island field. Mr. Luddy has had several years experience in the business, more recently in the home office of Phoenix.

### CHANGE IN PERSONNEL

Insurance offices in New York City are feeling the effect of change in personnel due to young men entering military service and both men and women being lured away by higher salaries. The government agencies have been

able to secure some of the more competent clerks in insurance offices. Defense industries and others desiring help have increased their wages and have appealed to insurance clerks.

It might be said that the wage level of many insurance offices has been increased. This is particularly true in the lower brackets. The customary salary paid to a young boy in the business, starting as a file clerk, for example, was \$65 a month. Many have now increased this stipend to \$70 and some \$75. It is difficult at times to find competent boys. The new people in insurance offices have naturally caused a slow down in operations and this will be felt until they become more seasoned. During the last three weeks the situation shows some improvement.

### Georgia Agents to Confer

The legislative committee of the Georgia Association of Insurance Agents will meet in Atlanta Feb. 22 to complete a report to be presented to the executive committee the following day. P. M. Lancaster, Sylvester, past president, is chairman. The executive committee will decide on plans for an educational program and the annual convention date and place.



*Progress with*

# PARAMOUNT

... the company as new  
as tomorrow ... salutes  
and thanks members of  
its agency force for a  
successful 1941, a year  
that will be definitely  
marked as a monumental  
milestone.

## PARAMOUNT FIRE INSURANCE COMPANY

91 WILLIAM STREET, NEW YORK

### PREMIUMS, LOSS FIGURES

(CONT'D FROM PRECEDING PAGE)

TWIN CITY FIRE			
Fire .....	\$ 230,411	\$	80,896
Tornado-windstorm..	5,987	3,212	
Riot and explosion..	3,148	52	
Hail .....	24,759	21,356	
Motor vehicle .....	14,919	7,826	
Ocean marine .....	26,941	14,695	
Inland marine .....	4,510	2,378	
Extended coverage..	11,019	1,415	
WESTERN FIRE, KAN.			
Fire .....	\$ 186,139	\$	78,029
Tornado-windstorm..	64,557	52,272	
Riot and explosion..	1,071	49	
Motor vehicle .....	562,523	274,932	
Inland marine .....	22,622	4,649	



## Gives War Time Aspects of U. & O. Sales and Underwriting

Why the lack of proportionate property damage fire insurance on the same premises tends to prejudice the underwriter against a use and occupancy commitment on the line was explained by H. C. Klein, secretary of New York Underwriters, in his talk on "Use & Occupancy Insurance in War Time" at the midyear meeting of the Michigan Association of Insurance Agents in Lansing.

Part of the answer, he said, is found in a simple mathematical calculation. Assuming that the blanket building and contents rate on a two section factory is 1 percent and the U. & O. rate is 70 cents for item 1 of the two item 80 percent coinsurance form, for every \$2,000 of liability, if it is all U. & O., the underwriter receives a premium of \$14 for a loss expectancy of \$2,000. But if, say, one-half of each \$2,000 of his total line is property damage and one-half U. & O. insurance, then he receives a premium of \$17 for a loss expectancy of \$1,500, composed of \$1,000 U. & O. and \$500 property damage.

### Better Business Proposition

By dividing his liability equally between property damage and U. & O., the underwriter receives 21 percent more premium with good prospects of paying 25 percent less loss. If his liability were entirely property damage insurance, he would receive 42 percent more premium with 50 percent less loss expectancy. Even though the buildings and contents of the factory were all in one fire section and the loss expectancy total, the underwriter with one-half of his line under each form of coverage would receive 21 percent more premium for a total loss expectancy than if his line had been entirely composed of U. & O.

The underwriter naturally wonders why he should carry all of the U. & O. and pay more loss per dollar of premium than his competitors who have the property damage. A premium of \$7 per \$1,000 of U. & O. 18 months ago was considered an attractive proposition on a factory and probably would have been preferred to a premium of \$10 per \$1,000 of property damage cover. Today and for many months to come the underwriter will prefer property damage insurance on many classes of manufacturing plants and unless U. & O. rates are increased he will want proportionate amounts of property damage insurance when he is committed for U. & O. This will be true also in a case of mercantile establishments even where an increased U. & O. rate is obtained for coverage of stock in excess of the free 30 days.

### Fear Stimulates Sales

Much of the U. & O. business now being put on the books is produced by the fear of the effect of the war emergency on the business and not as a permanent business necessity. Much of the present income from U. & O. will melt away with the emergency, leaving voids in premiums and commissions, unless a wholesome balance has been maintained by continuing property damage premiums.

In an effort to find a substitute for increased rates, an interesting experiment was begun in eastern and southern states in the past three months. This was the addition of two limits of liability to all new and renewal U. & O. policies, whereby liability for rehabilitation of buildings and machinery is limited to 12 months, for replacement of raw stock to 30 days, the limits in either case being extended with the payment of additional premium. In addition U. & O. rates for vandalism and malicious mischief were doubled.

The 12 month limit of liability forces insured to disclose to the underwriters his belief that prevention of business

may be in excess of 12 months. The underwriter is put on notice by the increased limit of liability. If insured substitutes a 15 month limit of liability and buys additional insurance accordingly, it is prima facie evidence that he has a well founded fear that 15 months will be required to rehabilitate his plant in the event of a serious loss.

Mr. Klein said that the highest limit of liability he had encountered so far is 24 months. During the first world war when only the per diem type of form was used, a per diem indemnity of 1/900th of the amount of insurance was not infrequent.

### Priorities won't Affect Recovery

It is unlikely, he said, that fire underwriters will follow the casualty companies in denying liability for increased U. & O. losses due to priority. Many fire underwriters feel that priorities are in the same category as other occurrences that sometimes delay rehabilitation and should be similarly treated. The solution to the U. & O. problem created by priorities is not denial of liability but readjustment of rates when sufficient experience has demonstrated that larger ones are required to cover increased losses.

Because of the change-over from automobile to armament manufacturing there is temporarily considerable unemployment in Michigan, he said, and developments in the labor market there should be watched closely. Some buyers of U. & O. outside the automobile field will probably not feel the need of any coverage of ordinary payroll; some will feel 90 days is sufficient. If more than 90 days is desired, the agent can now increase the coverage of ordinary payroll to 181 days or more for one-third less rate. If coverage for a number of days greater than 90 but less than 181 is desired, Mr. Klein warned agents to watch out because under the Michigan formula the premium for 120 days is the same as the 181 days and for 150 days is 25 percent higher than for 181 days coverage. Under the new eastern and southern formula the rates for coverage for ordinary payroll have been graduated so as to eliminate such inconsistencies.

### Contingent U. & O. Possibility

The present situation is a favorable one for contingent U. & O., he said, to protect the primary contractor against loss of earnings of plants if one or more of his suppliers of material or parts are shut down as a result of fire or other cause. Subcontractors are not only good prospects for direct U. & O. on their own plants, they are also good prospects for the less common form of contingent U. & O. that covers him against loss of earnings if his production is interrupted because the plant of the primary contractor has been destroyed and is unable to accept delivery of the materials or parts manufactured by the subcontractor.

### Public Power Plants

General Electric Co., he pointed out, is utilizing the services of nearly 500 subcontractors in connection with the production of war materials. The washing and ironing machine industry, faced by severe curtailment, organized to obtain a \$12,000,000 contract to manufacture gun mounts under which three large companies are prime contractors and 31 smaller companies are subcontractors. Under the San Jose (Calif.) plan, 19 local shops have pooled their resources and organized the San Jose Manufacturers which finances war contracts and undertakes final assembly of products as the prime contractor. The 19 shops are subcontractors. A \$2,000,000 contract to build gun carriages was secured. Such industry-wide and com-

munity-wide armament manufacturing projects create many opportunities for sales of direct and contingent U. & O.

Contingent U. & O. coverage of public service power plants is so inexpensive and so highly desirable that no one with an insurable interest in this respect should be without the coverage, he said.

Underwriters regard contingent U. & O. forms less favorably than direct forms, because the peril which causes an impairment of earnings for which a contingent U. & O. loss claim is made always occurs at premises operated by those not parties to the contract. But this objection does not apply to public service power plants since most of them have excellent facilities for furnishing substitute power and are under pressing obligation to the community to resume service with all possible speed.

On the surface agents apparently have no cause for concern since the abnormal conditions of today and probably for the duration of war will provide many opportunities for sales of both direct and contingent U. & O.

The companies and the agents have a common interest in maintaining U. & O. as a reasonably profitable class of business. The situation calls for sane underwriting in face of present emergency conditions, which will continue for an indefinite and possibly a long time to

come, he said. Certainly it calls for a continuance of the U. & O. market by the companies and no penalizing assureds' recovery because of priorities. Agents should recognize that U. & O. is temporarily less attractive to the companies, should more extensively underwrite U. & O. at its source and cooperate by distributing to their companies lines of property damage proportionate to cessations of U. & O.

It also calls for the agent using a sales technique which will result in the buyers purchase of U. & O. as a permanent necessity of his business rather than merely a coverage to tide him over a wartime emergency. Emphasis should be laid upon the fundamental fact that U. & O. provides protection that dollars of earnings require at all times. Wartime conditions are not the prime reason for the purchase of U. & O. insurance, agents should point out, but only an additional reason. The buyer should be convinced that he cannot afford to self insure his earnings, now or in a depression, any more than he can afford to self insure a valuable building. The agent should sell the line for the long pull, and not simply stress the fear of the effect of war time shortages of necessary materials, so that when economic adjustments come the U. & O. line will stay with the agent.

## GUARDIANS OF THE SEA



CAPE HATTERAS LIGHT, NORTH CAROLINA

Cape Hatteras, with the Diamond Shoals extending 8 miles to seaward, constitutes one of the greatest dangers to shipping on the coasts of the United States, and no point on the coast has received more earnest consideration as to the best method of providing safeguards against disaster. In a report to the Senate in 1794, Alexander Hamilton expressed the opinion that a lighthouse on some part of Cape Hatteras would be of general utility to the navigation of the United States. As a result, the first of the 3 Cape Hatteras Lighthouses was built in 1798. During the Civil War, the lens and lantern were destroyed, but in 1863 new illuminating apparatus was installed. Some years later a tower of greater height was built, and Cape Hatteras became the highest brick lighthouse tower in the world. The continued encroachment of the sea finally forced the abandonment of the tower for lighthouse purposes, and in 1936 the light was extinguished and a new light exhibited from a steel tower. The abandoned tower has been transferred to the National Park Service.

Appleton & Cox, Inc., marine insurance underwriters since 1872, is thoroughly equipped with nationwide facilities and a highly trained staff of specialists, ready to help you solve all ocean and inland marine problems.

# Appleton & Cox

INCORPORATED

OCEAN AND INLAND MARINE UNDERWRITERS

111 John Street, New York

BRANCHES IN PRINCIPAL CITIES

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★







## Valuable Study of 1871 Chicago Fire Is Presented

A scholarly, documented and yet very readable account of the great Chicago fire of 1871 by H. A. Musham, Chicago naval architect and research engineer, appears in the latest volume of "Papers in Illinois History" of the Illinois State Historical Society. Mr. Musham's well reasoned and well supported conclusions should go a long way toward settling many of the disputed points on the origin and spread of the fire.

The work provides a graphic answer to the many who wonder how a city could have been completely devastated in spite of the best human efforts to save it, while today the most scientific efforts of hostile air forces have not accomplished the same results. Mr. Musham carefully explains the physical conditions before and during the fire—a prolonged dry spell, frame, tinder-like construction, easy fire communication, a strong wind in the right direction, the fire department exhausted and crippled from a bad fire the night before and countless conditions of housekeeping, such as many residents having stuffed the open spaces under their frame houses with sawdust and shavings from lumber mills, as a means of laying in a winter supply of fuel.

### Centers of Fire

Most people visualize any great conflagration as spreading steadily from the point of origin. Mr. Musham points out that, although the fire originated in the barn of Patrick O'Leary on De-Koven St., there were at least ten distinct fires—probably more. First the strong wind and later the drafts made by the heat of the fire itself carried huge brands long distances. Some of these fell upon highly combustible property and thus new fires started. For example, a burning plank from the O'Leary barn was carried nearly a mile to St. Paul's church, near Harrison and Canal Sts. This fire spread to Bateham's Mills nearby and from this, the second of the fires, brands were carried across the river, to start fires in what is now the Loop. Similarly, the fire was eventually carried to the north side.

Much of the data on the beginning of the fire was undoubtedly obtained first hand, as the author's father, William Musham, was foreman (captain) of the "Little Giant" engine company No. 6, the first apparatus to reach the O'Leary premises. The account of the work of the fire department is very complete and Mr. Musham strongly defends Fire Marshal R. A. Williams and his efforts to fight the disaster.

### Succession of Misadventures

The account also emphasizes the old maxim that the first five minutes at a fire are more important than the next five hours. According to Mr. Musham, there were six fatal mishaps at the start, the lack of any of which would have resulted in the fire being controlled. First, the alarm was not turned in promptly and, when a neighbor of the O'Leary's finally did run to the nearest box, it failed to register at headquarters. Second, the watchman at the city hall tower erred in judging the location of the fire when he spotted it and directed an alarm for a box a mile away. Third, when the watchman discovered his error, the fireman at the alarm desk refused to send another alarm, claiming it would only confuse the companies. (Engine No. 6 went to the O'Leary fire only after its own watchman saw the blaze.) Fourth, Engine No. 5, disabled in the fire the day before, was unable to operate when it arrived. Fifth, Engine No. 2 lost steam pressure before it arrived and then was unable to get coal promptly. Sixth, Foreman Musham, after attack-

## New U. S. Tax Proposals Soon to Be Revealed

Details in broad outline of the program that is said to have been virtually agreed upon between Treasury and congressional tax experts in connection with the projected \$7,000,000,000 tax bill for 1942 have been published in some of the daily newspapers. There is proposed a long list of changes in the administrative provisions of the existing revenue statutes, including "tax treatment of mutual insurance companies, and taxation of income from state and local securities."

Mutual fire and casualty companies have been virtually immune from federal income tax liability and the Association of Casualty & Surety Executives, the organization of stock casualty companies, has been advocating the taxation of mutual companies on the same basis as stock companies. The mutual companies, apparently in the belief that some sort of war taxation of insurance companies is inescapable, have sought to create sentiment in favor of a federal premium tax on all companies and at the same time retain the present income tax exemption of the mutual companies.

There is a great deal of interest, particularly among the life insurance companies, in the proposal to tax income from state and local securities. The big question is whether the proposed tax would be imposed on only new municipal issues or whether outstanding issues would be subjected to tax. If it is proposed to tax existing issues a big battle is forecast.

ing the fire from the front, drafted some spectators to hold another stream on the rear of the O'Leary barn, but Assistant Marshal Matthias Benner ordered him away for other duties and the crowd abandoned the line.

The fire of the previous day, Saturday, Oct. 7, receives considerable attention from Mr. Musham. It broke out at Jackson and Van Buren Sts. and burned over the site of the present Union station. The fire department fought it until 3 p. m. Sunday, losing one hook and ladder and having more apparatus disabled. About half the man power of the department had been excused from duty because of injuries or exhaustion when the O'Leary fire broke out about 9 p. m. Sunday.

### Upholds O'Leary Story

In recent years, there has been considerable doubt spread over the story that Mrs. O'Leary's cow actually kicked over a lantern and started the fire. Mr. Musham is unqualified in his support of this story and offers a volume of evidence in its favor. His entirely plausible theory is that the O'Leary's later denied any connection with the fire because they feared mob violence. It was an age when agitation against immigrants was rampant and many Chicagoans would have been glad to find a scapegoat. The fact that the southwest wind carried the fire away from their premises, so that neither their house nor the other house on their lot, which was rented, was destroyed, would make this fear all the greater.

The account includes a complete roster of the Chicago fire department and a detailed list of its equipment. Among the sources referred to is "Recollections of a Fire Insurance Man" by the late R. S. Critchell.

### Camden Agents Elect

CAMDEN, N. J.—Philip H. Rapp has been elected president of the Camden Association of Insurance Agents, succeeding Wilbur J. McAllister. J. Clarence Madara and Carl R. Evered are vice-presidents; Leon M. Clair, treasurer; Richard L. Schmid, secretary.

## Okla. Premium Tax May Be Litigated

OKLAHOMA CITY—Commissioner Read has asked the attorney-general for an opinion as to the validity of the law enacted by the last legislature increasing gross premium tax from 2 to 4 percent. The request followed information received from an Oklahoma City law firm that some of their clients had decided to question the validity of the act and also to challenge the right to impose the tax for the period Jan. 1, 1941, to April 25, the date when the act became effective. The firm declined to reveal what companies would file suit or when it would be instituted.

The 1941 tax is due before Feb. 28 and the commissioner contends that the companies owe it and that the insurance department is going to collect it. He anticipates, however, that some companies will pay the 2 percent and also pay the 2 percent increase under protest, but that some may withhold payment until the outcome of the litigation.

The amount collected last year was \$1,033,000 on the 2 percent basis.

It is recalled that in Ohio several years ago when the premium tax rate was increased one of the life companies

brought an action contending that the increased tax did not apply until the effective date of the act and the courts sustained that contention. There is a constitutional prohibition in Ohio against retroactive taxation. The tax at the next session of the legislature in Ohio was reduced to its previous level of 2 percent.

Mr. Read has asked the attorney-general for an opinion as to whether reciprocals are liable for this tax and whether the increase applies to premiums for the calendar year or only since May 15, 1941, effective date of the law.

Word has been received that a Kansas City company is challenging the validity of the new law increasing the fire marshal tax from  $\frac{1}{4}$  to  $\frac{1}{8}$  of 1 percent.

### Pacific Fire's New Figures

Net premiums written during 1941 by Pacific Fire amounted to \$5,016,522. Losses, adjustment expenses, operating expenses and taxes totaled \$4,750,941, showing a trade profit of \$265,580. With the increase in premiums the premium reserve increased \$341,266, making a statutory underwriting loss of \$75,686.

Assets are \$8,534,272, capital \$1,000,000 and net surplus \$2,434,514.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurance, 175 W. Jackson Blvd., Chicago.



**FIRE?** Yes and no! It's the new sales presentation of the Security and The East and West that is making agents hurry to secure representation of this strong, aggressive group of companies. They've heard that the 1942 plan to be "unveiled" next month is far ahead of last year's sales manual—and they don't want to miss it!



1841 • MORE THAN A CENTURY OF SECURITY • 1942

## EDITORIAL COMMENT

### Using Renewal Certificates

THERE is a very noticeable and strong movement in favor of using renewal certificates where it can be done without impairing any rights of policyholders instead of issuing new policies on each anniversary date. The subject comes to a head just now owing to the war situation and the possible shortage of paper.

Then as a corollary is that expense of issuing new policies on expiration should be taken into account. The mailing of policies, for instance, to policy owners is an expense that might be lessened materially. Increased printing costs are facing all that have such work done. The printers themselves are meeting difficulties with new help replacing employees that are called into service and other increased overhead.

There may be some doubt regarding renewal certificates in case of certain kinds of insurance but in the majority of classes, authorities tell us they could well be employed.

An agency would need to review the situation of each assured as his anniversary comes up to see whether there has been any change in his property or condition that would call for the issuance of the new policy because the entire rights of policy owners must be observed. Already companies writing personal accident and health insurance as a rule treat policies very much as life insurance and no new ones are issued at expiration.

The operating expense could be lessened greatly by the use of certificates. It certainly is a practice that might well be carefully studied by companies and

agents. We need to review forms of procedure now and then because the tendency is to rest on precedent and not make changes. However, where expense can be saved these changes should be made.

We have a peculiar situation in New York where a law specifically prohibits the use of renewal certificates for fire insurance. However, Superintendent Pink of that state is much interested in the proposal and he may seek at the present legislature to have the law amended so that certificates can be used. The insurance commissioners are taking a lively interest in the question and no doubt at their annual meeting will discuss the matter. The departments in some states would have to give their approval of renewal certificates. The commissioners will be interested in the effect on policyholders if the original policies were continued by use of the certificates.

President Diemand of the North America goes far beyond the recommendation of renewal certificates in that he favors the issuance of policies without any expiration date, thus following the life insurance practice. This procedure is followed in European countries with great satisfaction. However, that might be too drastic a move at this time but the use of renewal certificates might eventually cause a change in the practice so that only expiration notices would be sent out and the premiums collected as is done in life insurance. The suggestion is well worth considering from every standpoint with an open mind.

### Must Understand People

INSURANCE salesmen realize as others do in all kinds of business which primarily are based on person to person selling, that there is a very human side of the art. Certainly a salesman must be able to understand people, enjoy meeting them and learning something of their problems. There are fundamental principles in selling which must be observed if success is to follow but the mere fact that a salesman thoroughly understands individuals is a great asset.

In the study of people an insurance salesman must note how they react to what the salesman says and be able to detect at once what pleases or interests them chiefly and what seems to antagonize them. As one writer puts it, "Other people can act as a mirror for you, they may not show you where your hair is out of place but certainly by their every action they can show you where your mind and behavior need a hairpin or two." This comment is a vital observation.

### Danger from Blow Torches

THE frightful loss in the burning of the "Normandie," the old French liner, which had been rechristened the "La Fayette" as an auxiliary in the U. S.

Navy at its Hudson River pier, New York City, calls attention to the apparent cause of the disaster that being sparks from an acetylene torch which was evi-

dently carelessly used by a workman that was endeavoring to cut off an ornamental lamp. Of course this disastrous fire was particularly unfortunate at this special time.

The use of acetylene or gasoline blow torches, however, is known to be a frequent cause of fire. Fire Commissioner Corrigan of Chicago has announced that he will ask the city council to pass a regulatory ordinance. Not long ago an acetylene torch caused a \$250,000 fire in a

government warehouse in Chicago. A few days ago damage was done to the Morrison Hotel in that city due to the same cause. Statistics show that last year 99 fires were attributed to the use of these torches near flammable matter in Chicago alone.

It would seem, therefore, that this is a cause of fire that might well be studied and some action taken by city authorities to minimize danger of loss from this source.

## PERSONAL SIDE OF THE BUSINESS

**A. A. Steinmetz**, adjuster at Salina, Kan., who has been incapacitated by arthritis for the past two months, has now recovered and is able to resume his duties.

**Kenneth T. Cookingham**, who has been promoted to assistant secretary of Automobile from general adjuster in the fire department, was born in 1894 at Rhinebeck, N. Y. and graduated in 1917 from Syracuse University. Mr. Cookingham joined the New York Fire Insurance Rating Organization and afterwards the New England Bureau of United Inspection. His first field position was with the general agency of Simpson, Campbell & Co. of Boston. In 1925, he joined Automobile as a special agent, first supervising Maine and afterwards being transferred to Albany, where he supervised the eastern New York territory for 15 years. In January of last year, Mr. Cookingham was called to the home office to become general adjuster as assistant to the late Assistant Secretary W. F. Patton.

**Stuart G. Thompson** of the Stuart G. Thompson-Elwell Co. general agency is general chairman in charge of handling the new draft for the 20-45 age group in Seattle. Mr. Thompson is regularly the chairman of draft board No. 6 in Seattle.

**Oscar W. Schmidt**, class 1 agent in the Insurance Exchange building, Chicago, has been confined to Evanston Hospital about two weeks due to heart affliction.

**Mrs. H. G. McMillan**, wife of the well known Knoxville, Tenn., local agent, is hospitalized and will probably be laid up for some weeks. Mr. McMillan is one of the leading agents in his state.

**Paul B. Hulfish**, assistant secretary Southeastern Underwriters Association, has returned to his office in Atlanta after spending more than two weeks at Piedmont Sanitarium for treatment for arthritis. R. A. Palmer, statistician, and R. J. Peavy, superintendent of the printing department, both of whom went to the hospital about the same time Mr. Hulfish did, have returned to Atlanta and are expected to be able to get back to work in a couple of weeks.

## DEATHS

**James C. Stuart**, 59, Iowa state agent of Aetna Fire, died at Tucson, Ariz., following a brief illness. Mr. Stuart, accompanied by his wife, went to Tucson four weeks ago because of his

health. He had been associated with Aetna Fire 28 years and in 1939 was tendered a testimonial dinner by Iowa field men in recognition of his 25 years of service in Iowa with one company. He was a charter member of the Iowa Blue Goose and a member of the Ash-cota tribe, an organization of veteran Iowa and Nebraska field men. He attended Drake University and was a captain of the Drake football team. Burial was in Des Moines.

Mr. Stuart was born into our business, so to speak, as his father, the late Clay Stuart, was state agent in Iowa for Providence Washington.

**A. V. Patton**, 65, Jackson, Tenn., local agent, for many years a director of the Tennessee Association of Insurance Agents and who attended every convention of the National association for 25 years, died there after an extended illness. He had been an agent 30 years.

**A. R. St. Pierre**, 75, for 60 years in the insurance business in Burlington, Vt., 39 with the T. S. Peck agency, died there. He established his own agency in 1919.

**Aaron W. Jones**, 71, retired Ohio state agent of New Hampshire Fire, died at his home in Columbus after an illness of several years. For a number of years he was secretary of the Ohio Fire Underwriters Association and was one of the best known and most popular field men in Ohio. Mr. Jones was a native of Columbus and attended Ohio State University.

**LeRoy H. Kerster**, 53, one of the principal examiners in the western department of the London & Lancashire in Chicago, died suddenly of a heart attack. He was at the office when death occurred. He had been with London & Lancashire 29 years, and was an examiner on Ohio business for more than 20 years. He was born at Salem, Ill.

**James L. Kanaley**, 57, who had been a Chicago class 1 agency executive for the past 15 years, died Monday morning at Mercy Hospital in Chicago. Although he had been afflicted with arthritis for about six years, his condition was not known to have been critical and he had been at the office two or three days before his death. Mr. Kanaley was formerly a banker in Weedsport, N. Y. He went to Chicago and formed a class 1 agency with Ivo Buddeke under the title Kanaley, Buddeke & Co. For the past five years he had operated as James L. Kanaley & Co., associated with Emmet Grannan. A son, Richard T. Kanaley, is associated with the agency. Two brothers are con-



## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 3784

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. E. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5447. W. M. Christensen, Resident Manager.

BOSTON OFFICE—944 Park Square Bldg., Telephone Hubbard 8696. R. E. Richman, Vice-President.

DALLAS OFFICE—809 Wilson Bldg., Tel. Central 7814. Fred B. Humphrey, Resident Manager.

DES MOINES OFFICE—2323 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 1994. A. J. Edwards, Resident Manager.

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. M. H. Fredrikson, Resident Manager.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 26, 1931, at Post Office at Chicago, Ill. Under Act. March 3, 1879.



nected with the Chicago mortgage office of Cooper, Kanaley & Co., and another brother, Charles K. Kanaley, was formerly president of the Hamilton State Bank of Chicago.

Mr. Kanaley was born in Weedsport. Funeral services were conducted in Chicago Wednesday and burial will be in Weedsport.

Mrs. William H. Jennings, Sr., died at her home in Streator, Ill., Saturday and was buried there Tuesday. A son is W. H. Jennings, Jr., of Rockford, Ill., past president of the Illinois Association of Insurance Agents.

Pearce J. Francis, 51, insurance commissioner of Maine since December, 1940, and before that manager of the life department of Travelers in Maine, died at his home in Portland following a two months illness. Mr. Francis was a native of Lynn, Mass. He was a salesman with the General Electric Company in Massachusetts and Maine, moving to Maine in 1916. He joined Travelers in Portland in 1922 and remained with the company, associated with General Agent G. M. Barney, until his appointment as commissioner. He also was serving as vice-chairman of civilian defense for Maine.

W. H. Wheelock, 66, chairman of Brown, Wheelock, Harris Stevens, Inc., real estate firm, New York, and a director of Home Life and a number of companies of the Royal - Liverpool groups, died after a long illness. Under Mr. Wheelock's guidance, properties were assembled for the Pennsylvania and Grand Central station sites, the Central Post Office, Waldorf - Astoria, Gimbel Brothers, and other important New York real estate projects.

Robert H. Hartshorn, local agent at Gary, Ind., was killed in an automobile accident near there.

J. W. Mickey, 80, who operated an agency at Fostoria, O., for many years, died there.

F. R. Savage, local agent of Williamsburg, Va., died there. The business will be carried on by his son, Thomas D. Savage.

Otto Winkenwerder, 70, local agent at Watertown, Wis., died there after a long illness.

## REJECTED RISKS

Our chief peeve today is in connection with the man who in his conversation in order to emphasize what he says **jabs you in the ribs**. This he does to call your attention to some point he is making, but it is extremely annoying especially to one who may have some muscular soreness.

We utter a loud and vigorous protest against the practice of some office building managements in the arrangement of **building directories**. The tenants should make an outcry that would be heard from the roof to the subbasement. Some names are so high on the board as to make it impossible to see what they are unless one has a rubber neck and can stretch it several inches. Otherwise, he has to have a field glass to decipher the names. If building managements insist on having such an arrangement, stepladders should be provided. Then again although wall space is ample building managements insist on bunching directories so that some names are too high to be read and others too low. In the latter case, one has to assume a supplicating attitude, and get down on his knees to see the names. In fact, in some buildings one is forced to lie prone on his stomach to read the bottom series of names. We suggest that building directory activities be taken over by the federal government and be properly regulated.

John M. Harrison, resident vice-president of Marsh & McLennan, Minneapolis, has been reelected chairman of the Hennepin county Red Cross chapter.

## IN U. S. WAR SERVICE

Howard W. Klee, manager of the life department of Associated Agencies of Chicago and son of the late Nathan Klee, who was senior partner of Associated Agencies, is now stationed with the 2nd communication squadron, Patterson Field, Fairfield, O. His brother, Kenneth Klee, formerly with Home of New York, in Chicago, is now with Associated Agencies learning the business. **Hugh Wolff**, of the same office has entered the service and is presently with the 1024th observation squadron, Fort Leavenworth, Kan. His father is Allan I. Wolff of Associated Agencies and former president of the National Association of Insurance Agents.

Arnold H. Burrough, son of Rudolph Burrough, partner in the John C. Paige & Co. agency of Boston, has qualified as an aviation cadet in the navy air corps reserve.

Ivan Peller, formerly with Babbit-Peller agency, Tulsa, Okla., is now a flying cadet at Randolph Field, San Antonio, Tex. His father, Joseph Peller, member of the firm, was already in the service.

Jesse Johnson, assistant examiner in the Cook county department in the western office of the Sun, has gone into service with the Marines at San Diego, Cal.

J. O. Lindsog, Jr., manager of the Lindsog agency, Minneapolis, has enlisted in the air branch. **N. W. Steen** of Lowry, Stang & Olson, Fergus Falls, Minn., has gone into the navy.

Lyle Huseby, adjuster in the St. Paul office of Aetna Casualty, has joined the navy.

One of the largest service flags in Atlanta hangs in the office of the **South-eastern Underwriters Association**. It contains 37 stars. Those in service include 18 engineers, six examiners, three special agents, a number of clerks and one rotoprint operator. Ten have left the Atlanta office and seven have gone from Birmingham.

Walter Roper, with the Cotton Insurance Association in Atlanta, enlisted in the air corps.

Wiley L. Moore, Jr., and Walter P. Moore, who have been in the insurance business for several years in Atlanta have enlisted in the army. They have been active partners in the Moore, Inc., and Moore-Fletcher agencies.

Carl F. Bracken, special agent for Ocean Accident and Columbia Casualty in Indiana, who has held the commission of lieutenant in the army reserve corps, has been summoned to report for active duty March 3 in Texas. He is the son of Fred Bracken, prominent Chicago broker.

## Court Construes False Swearing in Loss Case

The Alabama supreme court affirms the lower court in favor of the plaintiff in Schwab vs. National Union Fire. The issue was over alleged false swearing in making proofs. It was shown the assured was an elderly man, partly blind and that he signed the proofs as prepared by his secretary. At time of trial the secretary was dead and hence could not explain the inclusions of certain items which were shown not to have been on the premises. The insured was held innocent of the removal of these items. The court held that in order for the defense to be effective it must be shown that such false swearing was with the intent to deceive. No such intent is found by the court and hence judgment for plaintiff is affirmed.

## WANTED

A Mid-western Mutual Fire Insurance Company underwriting manager. One who is acquainted not only with fire and extended coverage but also inland marine. Address P-24, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

The Royal Exchange was one of the earliest pioneers of insurance. Founded in 1720 this great institution with 222 years of tested strength and security behind it is one of the most modern and efficient organizations in the insurance business today. From the very beginning it has maintained its reputation for excellent service to Agents and Assureds.



Through Peace and Wars  
Since 1720

## Royal Exchange Group

ROYAL EXCHANGE ASSURANCE  
PROVIDENT FIRE INSURANCE CO.  
THE STATE ASSURANCE COMPANY, LTD.  
CAR & GENERAL INSURANCE CORP., LTD.

111 JOHN STREET, NEW YORK

FIRE & CASUALTY LINES.....FIDELITY & SURETY BONDS

## To Progressive Agents—

May we show you concrete proof of business produced for our agents by our Tested Sales Aids? These sales methods will produce for you.

Ask To Have Our Fieldman Visit You

## New York Underwriters Insurance Company

Under management of  
A. & J. H. STODDART

Ninety John Street

New York

## *"Prompt Paying Preferred"*

### 50 ÷ YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 56 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

## THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

**AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY**



# The NATIONAL UNDERWRITER

February 19, 1942

## CASUALTY AND SURETY SECTION

Page Nineteen

### N. Y. City Jalopy Owners Rush to Buy Insurance

**Underwriters Hope for Fair Experience Despite Cars' Advanced Age**

NEW YORK—The advertising and publicity campaign of the state motor vehicle department and the various casualty companies on the seriousness of the new New York financial responsibility law is resulting in a flood of applications from even the jalopy owners in the New York City area, a class of drivers who it was feared would not take the law sufficiently seriously to buy insurance.

While the age of these cars, many of which are of 1928 vintage or thereabouts, and the financial standing of the owners are not such as to make them particularly desirable risks, underwriters are not inclined to be fussy, feeling that there may well be some favorable factors that would not ordinarily be found in this type of risk. The main reason for hoping that experience on these cars will be no worse than average is that any motorist who feels that he needs his car badly enough to pay an annual insurance premium amounting to perhaps half the machine's market value probably needs his car in order to get to and from his job.

#### Limited Use Seen

This type of driver would use his car a limited amount each day, the machine being out of service while its owner was on the job. Furthermore, an owner who valued his right to drive so highly as to pay out what for him was a substantial liability insurance premium would not be likely to use up his tires by needless running around during his leisure hours. In any driving that he does he would presumably be unusually cautious because of the difficulty of replacing his car if he should smash it up badly. Also, since his car is essential to his job, a lay-up for repairs could be extremely inconvenient.

Another reason for hoping that the experience on jalopies will not be too bad is that accident victims are usually more conservative in the claims they make where the car owner is a man of small means than if he seems to be a bloated plutocrat. However, because of the increased claims-consciousness of the public and the presumption that liability insurance is being carried this factor would probably be a minor one.

The fact that New York state has for some years had the more usual type of financial responsibility law under which a motorist after having had an accident can keep on driving if he insures makes it possible to underwrite the new crop of automobile insurance applicants more

### Foreign War Risk Assumed by U. S.

**Workers in Army Projects Outside Country Covered by Government**

NEW YORK—On army construction projects outside the United States the War department has assumed the war risk liability for deaths or injuries to workmen for the entire time they are out of the country.

In the case of contracts on a cost plus-fixed-fee basis this is accomplished by an endorsement increasing the present maximum basis on which companies will be reimbursed for losses. This has been 90 percent of standard rates. However if war deaths or injuries cause the figure to exceed 90 percent the endorsement provides that the insurer will be fully reimbursed.

#### Averts Excessive Losses

Without some such provision losses to insurers might be catastrophic, for there is not only the danger of enemy attack on an outlying army post but of workers being injured or losing their lives as the result of a submarine attack on the ship in which they are being transported to or from the island outpost.

In the case of lump sum contracts outside the United States and the District of Columbia the added war hazard in connection with workmen's compensation is taken care of by the contractor's obtaining a war risk indemnity contract from the workmen's compensation insurance carrier and the government's agreeing to reimburse the insurer for all war risk and transportation losses. These include all losses arising from war, whether declared or not, international hostilities, rebellion, insurrection, the discharge or explosion of munitions, or the use of any instrument of war, also losses arising from the collision of vessels in convoy or arising from the operation of vessels without running lights or without customary peacetime aids to navigation.

freely, for those with the worst records have already been forced to carry insurance or quit driving. Thus it can be assumed that new applicants have no record against them to bring them under the scope of the old financial responsibility law.

Casualty companies have by now begun receiving their allotments of risks from the assigned risk pool, but are hopeful of a good experience even on these risks. The losses on cars received under assigned risks plans in other states, such as Connecticut, New Hampshire, Maine, and Illinois, indicate that most car owners who can get their insurance only through the assigned risk plan tend to reform and give the companies a considerably better accident record than might be supposed. Sometimes it is a case of the offending motorist mending his ways. In others it is undoubtedly due to a youthful driver or some other reckless member of a family being forbidden to drive or at least greatly restricted.

### Gardiner Elevated to President

**Corson Advances to Chairman of Hartford Steam Boiler—Other Promotions**

HARTFORD—William R. C. Corson, president and treasurer of Hartford Steam Boiler since 1927, has been elected board chairman.

Curtiss C. Gardiner, vice-president and director since 1927, was elected president to succeed Mr. Corson. Dale F. Reese, senior vice-president, was reelected, and Secretary C. Edgar Blake was given the additional office of treasurer.

Lyman B. Brainerd and John M. Gorham were elected vice-presidents, and Lyle G. Wimmer was elected assistant vice-president. H. Crowell Freeman was made assistant treasurer, and Halsey Stevens and Harry E. Dart were reelected assistant secretaries.

#### Started in St. Louis Branch

Mr. Gardiner joined the company in the St. Louis branch office, where he succeeded his father as manager, later becoming manager of the New York department. He went to the home office as executive vice-president in 1941. He is a director of the Boiler Inspection & Insurance Company of Canada.

Mr. Blake, a Yale and Harvard graduate, joined the company's legal department in 1919. He was elected assistant treasurer in 1926 and secretary in 1937, continuing in charge of the legal department.

Mr. Brainerd, a director, joined in 1930 after graduation from Trinity College. He was appointed assistant superintendent of agencies in 1937, superintendent in 1939. As vice-president he will direct all agency affairs.

#### Experience of Other Officers

Mr. Gorham, a native of Warm Springs, Ga., was graduated from Georgia Tech in 1921, and joined the company in 1922 as an inspector in the Atlanta department. He went to Hartford in 1930 as assistant to the vice-president in charge of engineering. For several years he has represented the company in the engineer's conference of the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters. He will have charge of the company's engineering and inspection department.

Mr. Wimmer, in general charge of underwriting, is a graduate of University of Washington. He went to the home office in 1940 as assistant to the vice-president in charge of underwriting.

Mr. Freeman, a graduate of Sheffield Scientific School, Yale, joined the investment department and was made financial secretary in 1940.

### Continuation Certificate Used by Hartford A. & I.

**Standard Form Applied to All Lines Save Compensation, A. & H.**

Hartford Accident has adopted a standard continuation certificate to be used in connection with the renewal of all casualty policies except workmen's compensation and personal accident. This certificate has been approved by the insurance departments of most states and in some states its use has been commended by the commissioner. In a bulletin to its agents Hartford A. & I. points out the advantages of the continuation certificate to policyholders, to agents, to the company and to the business in general. This bulletin says in part:

"It will save paper at a time when paper and many of the raw materials with which it is made are needed by the government. It is estimated that this certificate will save more than two-thirds of the paper now used in policies. The certificate will save time at a period when time is of the essence—when thousands of insurance workers are joining the services and others are becoming associated with defense industries. It will save filing space at a time when filing cabinets are difficult, if not impossible, to obtain. It will save postage expense in cases where many of these certificates are mailed out at one time by companies, offices and general agencies. It will, by reason of its being standardized for all casualty lines except compensation, eliminate a multiplicity of similar forms which have in the past been used for specific coverages. It will assist those agents who are now handling the business of associates who have been called for war service. It will provide policyholders with all of the benefits in either rate or coverage that would be obtained by the issuance of a new policy.

"It is hoped that this certificate will be approved in all jurisdictions in the near future and that a certificate suitable for renewing workmen's compensation business can soon be made available."

#### Looks Like a Policy

The Hartford continuation certificate has been created to appear impressive and is more than a routine, little form. It is folded once and there is thus a face which is designed to look like a policy and is printed in colors. On the obverse there are printed instructions as to reporting accidents. There are no entries to be made, however, on the policy face or the obverse. All of the entries are on the inside and the certificate goes through the typewriter on a one side basis. There is a space for

(CONTINUED ON LAST PAGE)



C. C. Gardiner

## Randall, Hargrett on Southern Safety Council Program

Jesse W. Randall, vice-president of the compensation and liability department of Travelers, and president of the Association of Casualty & Surety Executives, will address the opening session of the Southern Safety Conference in New Orleans, Feb. 22-24. Mr. Randall will discuss "Safety—An Essential to War Production."

Felix Hargrett, secretary of Home, will address the industrial safety section on "Defense Fire Protection in Industry." O. M. Nanfeldt, manager accident prevention department Employers Mutual Casualty, will speak on "How to Set Up and Maintain a Safety Program"; H. W. Heinrich, Travelers, "Determining and Classifying Accident Causes." E. R. Granniss, National Conservation Bureau, will act as chairman of a panel discussion on determining and classifying accident causes.

Col. W. W. Williams, Employers Reinsurance, Kansas City, will speak before the wood products section. W. A. Hirsch, Fidelity & Casualty, will also address this section.

H. F. Hammond, National Conservation Bureau, will address the public safety section on "Why Traffic Engineering Is Vital to any Balanced Safety." He will also speak before a joint session of the public safety and home, child and public safety education sections.

Crawford H. Ellis, president of Pan-American Life and chairman National Defense Council of Louisiana, will speak on "Defense and Safety—Aims and Purposes."

## Air Travel Accident Cover on Trips Near Combat Zones Closely Underwritten

Aviation insurers these days are watching very closely the matter of personal accident insurance for those traveling by air to or in the neighborhood of combat zones. There is the question of greatly increased hazards and also the possibility that should a plane be lost without trace the issue might be projected as to whether the plane was downed by enemy action and hence no liability exists on the policy, or whether it was lost by accident.

The amount of travel to these zones on the part of civilian representatives of defense industries has decreased very greatly in recent weeks, as the seats are taken very largely by the military or other government people. The insurers have no qualms about continuing to provide personal accident insurance for South American trips and to other non-combat zones and they try to take care of their good customers in connection with more hazardous flights.

In trips that involve a war hazard the cost of the insurance is on a per trip basis and the premium quotations vary. Frequently very high limits are desired for those making such trips and the market is frequently unable to supply what is wanted. The rates for annual policies that are written for corporations covering their representatives are based among other things on the type of travel that is involved in each case. If the flying is confined to continental United States the rates would be lower than if South American flights were made. The annual policies do not cover extra hazardous trips and such insurance has to be arranged on a per trip basis.

## Wis. Adjusters Hear Zeidler

MILWAUKEE—Mayor Zeidler addressed the Casualty Adjusters Association of Wisconsin, describing in detail the organization of civilian defense in Milwaukee county and the state.

## Careers of Those Advanced by Aetna Traced

Howard T. Knudsen, who was recently promoted from manager special risk division to secretary of Aetna Casualty, started with the W. G. Wilson agency of the Aetna companies at Cleveland in the underwriting department. In 1921 he was made associate of that agency and in 1935 was made superintendent of the liability department. In 1937 he was transferred to the home office.

L. B. Fowler, promoted from field supervisor to assistant secretary, recently celebrated his 25th anniversary with the companies. He started in the fidelity and surety department at the home office in 1915 and was afterwards made superintendent of the fidelity and surety department at Lansing, Mich., and later at Denver. In 1923 he was recalled to the home office and made field supervisor in the casualty agency department.

Amos E. Redding, promoted from field supervisor to assistant secretary, joined Aetna in 1919 as a special agent at Kansas City. He later was transferred to the home office and in 1926 was made field supervisor in the casualty agency department. Mr. Redding was later placed in charge of the home office casualty-surety sales school and is co-author of the widely used college text book "Casualty Insurance." He was graduated from Trinity College in 1915. Mr. Redding is Republican town chairman in Bloomfield and is a member of the Bloomfield board of finance.

John P. Faude, elected assistant counsel, was born in Detroit. He graduated from Harvard in 1931 and from the Harvard law school in 1934. He then joined Aetna in the legal department.

William W. Ellis, made field supervisor in the casualty agency department, was born in Stafford Springs, Conn. He graduated in 1926 from Princeton. He joined the Aetna companies and was assigned to Philadelphia. In 1929 he was appointed special agent there and in 1934 was transferred to the home office casualty agency department as home office representative. He was later appointed instructor in the casualty-surety sales school.

## Palmer, U. S. Manager of Employers Liability Retires

Sydney H. Palmer, United States manager of Employers Liability, will retire March 31 after more than 42 years with that company.

Mr. Palmer became associated with the London office of Employers in 1899. He served in several departments and then was made inspector, which corresponds to special agent in this country. After serving as district manager of the Bristol branch in England, he was agency manager, assistant general manager, and then in 1933 was promoted to manager at the London office. He was made United States manager, under E. C. Stone, United States general manager and attorney in 1936.

## Aviation Talk in Los Angeles

LOS ANGELES—Vincent T. Ford, Hollywood manager of the Aeronautical Chamber of Commerce of the United States, talked to the Casualty & Surety Field Men's Association of the Southwest on insurance problems of aviation under the present emergency.

The association adopted the resolution already adopted by a number of other insurance organizations favoring an educational campaign in support of Constitutional Amendment 53 revising the method of taxing insurance companies which will be on the ballot at the November election.

## Hospital Groups Sidestep Social Security Proposal

The position which the hospital interests will take in regard to proposals to extend the social security act to provide disability and hospitalization payments is still uncertain, as a result of the failure to take definite action at a conference in Chicago Saturday. A joint meeting of the Hospital Service Plan Commission and the board of trustees of the American Hospital Association had been called for the purpose of drafting a formal statement of policies and recommendations for action by the two groups. Eventually the matter was checked up to the trustees of the American Hospital Association, who took no action except to appoint a committee to study and explore the question and report on future developments to the interested groups.

Previously, at a conference with the social security board in Washington, representatives of the Hospital Service Plan Commission had indicated that the proposals would be opposed by that group. They declared that voluntary programs are more acceptable to the American people and provide higher quality and more complete hospital service. They also stated that the entrance of the government into hospitalization benefits would lead to expansion of the governmental program and would tend to destroy the voluntary principle in hospital service and to lower quality because of political and impersonal control.

## Social Security Board's Plan

At that meeting, members of the social security board stated that it was their intention to recommend to Congress that the social security provisions be extended to include (a) disability allowances equal to the present unemployment allowances for period of sickness, and (b) additional allowances of \$3 per day to the worker when either he or his dependents were hospitalized.

The hospitalization benefits would be in the form of an indemnity or payment to the employed worker upon the receipt of evidence that hospital care had been received. This, of course, runs counter to the basic idea of the hospital plans for payment in kind rather than in cash. Board members also stated that it was contemplated that participation in the hospitalization benefits would be universal and compulsory for those people who hold social security numbers.

## American Auto Conferences in Columbus, Pittsburgh

The American Automobile continued with its schedule of conferences with branch office staffs and leading agents throughout the country when meetings were held at Columbus, O., and Pittsburgh. Headed by Otto Patterson, executive vice-president, top ranking officials of the company met with about 75 leading agents in the Ohio territory and with more than 50 at Pittsburgh. The conferences were held to discuss the company's new liability department.

Besides Mr. Patterson, those in attendance from the home office were Vice-president Robert Z. Alexander, Harry Lees, vice-president in charge of the liability department, and Ray Beech, superintendent of production.

The meetings at Columbus were arranged by H. W. Donovan, in charge of the Columbus service office; Cameron H. Sanders, Cincinnati, resident vice-president for the Ohio department, and J. S. Borie, Jr., head of the liability department in that territory. At Pittsburgh, the conferences were planned by Jet Parker, resident vice-president for western Pennsylvania, and Matt S. Dunn, supervisor of the liability department in that office.

## Valuable Glass Survey Service Given in Detroit

An extensive file of surveys of the plate glass risks of Detroit has been developed by the Peterson Glass Company which, for a number of years, has done the largest insurance plate glass replacement business in Detroit. During the 10 years it has been specializing in this work the Peterson Glass Company has accumulated and kept rechecked surveys on over 18,000 plate glass risks in Detroit. Each survey gives the name, address and occupancy of the risk involved, and on the reverse side is shown a history of the replacements made by the Peterson Glass Company during the past two years. It is thus possible for a plate glass writing company, through the use of this survey file, to tell at a glance whether a risk is desirable or undesirable, what its history of replacements has been and all of the data necessary to an intelligent underwriting of the business.

J. O. Peterson, the active head of the Peterson Glass Company, believes that at this particular time his survey file has more than ordinary value because many engineers of insurance companies are being called into the service or into war work of some kind, with the result that most engineering staffs are much smaller than formerly. Through the Peterson glass survey system the data that might otherwise be provided by a company's own engineer is available, and at no cost to the user, although the Peterson Glass Company spends a considerable sum of money each year to keep its file accurate and up-to-date. There is no similar service available in Detroit.

## Compensation Losses in Normandie Fire Not Heavy

NEW YORK—Although there were 2,200 workmen, sailors, and coastguardsmen aboard the Normandie when the ship caught fire, there was only one death and injuries were comparatively few. In the early stages of the fire, it was feared that several hundred men had been trapped in the blackness and confusion below deck. Over 200 men were taken to hospitals during the fire, but only 148 were injured severely enough to remain in hospitals after treatment. After the first day, there were 96 still in the hospitals.

The majority of the workmen, numbering about 1,900, were employed by the Robins Dry Dock & Repair Co., which was in charge of the vessel's conversion to a transport. Fidelity & Casualty carried the compensation coverage for that firm. Three injuries were reported to the State Insurance Fund.

## Settled Under Federal Law

Since the injuries occurred on the vessel, claims are settled under the longshoremen's and harborworkers' act rather than state compensation laws. Fidelity & Casualty had one \$7,500 death claim, five or six fairly serious injuries, and about 50 or 60 slightly injured. At the present time, there are only six men in hospitals.

Shortly before the fire occurred, there was a practice evacuation for preparation against such a contingency. Warning was broadcast over the loudspeaker system and the entire ship was evacuated in about 4½ minutes. The ship's fire fighting equipment was apparently used, but after city firemen arrived, there was not much occasion for it. Until the official inquiry is completed, definite details are not available.

## A & H PREMIUMS

are up. Subscribe to The Accident & Health Review and get your share. Only \$2 a year, 175 W. Jackson Blvd., Chicago.



## Weigh Changes in N. Y. Auto Responsibility Law

ALBANY—Considerable opposition, though not from insurance men, is expected in the case of two of the numerous proposed amendments to the new New York financial responsibility law at the legislative hearing to be held here Feb. 25. One of these two proposals would remove the ban on reregistering a car involved in an accident which resulted in an unsatisfied judgment of more than \$25 while the other would permit a driver who was ruled off the road to drive an employer's vehicles. Thus, a truck driver, for example, though barred from driving his own or any other passenger car, could continue in his occupation.

Other proposed amendments are mainly to smooth out the operation of the law and simplify it where possible. For example reporting property damage accidents involving less than \$25 would not be required if no bodily injuries were involved. Nearly all the proposals are departmental bills of the motor vehicle bureau except that of a Brooklyn assemblyman which would provide that the innocent party in an accident would immediately be exonerated from the burden of meeting the financial responsibility law's requirements.

### Would Be Extremely Costly

While on its face this proposal seems reasonable enough it would treble the cost of operating the bureau's financial responsibility division, already estimated at \$1,000,000 a year. It would be necessary to have referees throughout the state before whom pre-trial hearings would be held. Any possible setup would be extremely expensive in spite of the principle's merit.

The proposal for shifting the expense of administration of the financial responsibility law from the casualty companies to the state faces tough going. Nearly all the legislators agree with the casualty companies that since the law was passed for the benefit of the public and not of the insurers or their insured, there is no equitable reason why the state should not pay for the law's administration out of its general revenues. However, everything possible is being done to cut the state budget. Shifting the administration cost from the companies to the state would add \$1,000,000 to the budget. This would be an extremely unpopular move.

### Will Cost \$650,000 by July 1

By July 1, the end of the state's fiscal year the financial responsibility division will have cost \$650,000, according to present estimates. The sum of \$250,000 was appropriated to get the machinery going and an additional \$400,000 has recently been appropriated. All this of course will be paid back to the state by assessment against the insurers. The expense would be even greater if the division, in setting up its machinery, had not anticipated the elimination of the reporting requirement for accidents involving less than \$25. The financial responsibility division's work got under way about the middle of November.

In general the legislative situation regarding casualty insurance, except for these financial responsibility changes, is about the same as in other years. It has been simplified to some extent by the response of legislators to leaders' pleas that in view of the war emergency introduction of the usual flock of measures which have no backing except their sponsor's and virtually no chance whatever of passage be foregone this year. Most of the adverse bills deal with civil procedure or changes in the workmen's compensation law. Probably the worst measure is the one which would require companies writing automobile bodily injury liability insurance to cover the liability for injuries to the insured's spouse.

## Geiselman F. & D. Vice-president

BALTIMORE—Austin H. Geiselman, manager of the judicial department of Fidelity & Deposit and American Bonding, has been elected an additional vice-president of both companies.

Guy C. Cosway, assistant agency manager, W. F. Clarke, assistant manager claim department, and W. H. C. Griffith, assistant manager judicial department, have been elected assistant secretaries of the two companies.

## Combination War Indemnity Form Offered

Considerable interest has been aroused by the so-called war indemnity policy that is being issued by National Lloyds of Baltimore covering both death and dismemberment of the assured and members of those related to him residing in the same household, and also damage or destruction of the assured's building and personal property located there "sustained solely and caused by, a declared enemy of the United States of America, as a result of war, invasion, or enemy military action."

The assured may get both types of coverage in the same policy or he may select only one type. Excluded are injuries suffered while the assured is engaged in taking part in military or naval service, or operations, including so-called home defense, or in aeronautics or aviation of any description and while being in any aircraft.

Indemnity for all loss or damage of money and securities, jewelry, silverware, furs, clothing and other personal effects is limited in total to 10 percent of the amount of property damage as shown in the declaration and the indemnity for such personal property is limited to such effects owned by the named assured, there being no coverage to such property or effects owned by any other person who may otherwise be included under the policy.

The named assured is covered against death or dismemberment anywhere in the United States and coverage to specified members of his family is limited to injuries suffered on the named premises.

There is a provision for prorating payments as between all claimants under the policy terms.

National Lloyds has also gotten out an "automobile war indemnity policy" with virtually the same insuring clause as the combination property damage and bodily injury policies.

## Franklin P. Horton Observes 50th Year with Employers

BOSTON—Franklin P. Horton, treasurer and deputy U. S. manager of the Employers group, has completed 50 years of service. He started in February, 1892, as an office boy. With only a handful of employees, there were no particular duties assigned the few clerks, and Mr. Horton worked in practically every department. Mr. Horton was promoted to superintendent of accounts in 1902. In 1926 he was appointed assistant U. S. manager, and in 1936, treasurer and deputy manager.

Mr. Horton has served under all the U. S. managers Employers has had, and during the later years has participated in the management with all its problems of underwriting, investment, expense, and development. He has acquired a world of insurance information and is one of the best informed men in the casualty business.

The danger of collusion would be enormous. The New York law permits a husband or wife to recover against a negligent spouse but a statutory provision exempts insurers from covering this hazard in the standard automobile liability policy provisions.

## McDowell Tells Group A. & H. Opportunities in Philadelphia Talk

PHILADELPHIA—George McDowell, supervisor of the group accident and health division of Commercial Casualty, addressed 37 members and friends of the Accident & Health Association of Philadelphia. Mr. McDowell made it clear before giving his message that although he is sold 100 percent on group disability coverage, he did not intend to recommend the sale of this type of disability insurance to the exclusion of individual accident and health contracts. He emphasized, however, that the group idea of disability insurance is on the upswing, giving as the most important reasons the fact that under group plans it is possible for companies to give broader coverage for less premium, the policy provisions are less complicated and that under the group plan, underwriting is necessarily more lenient, which permits the acceptance of risks who would otherwise be uninsurable under individual contracts.

Mr. McDowell also stressed quite strongly the fact that with the group plans commission schedules are lower, which permits a greater return to the insuring public out of the premium charged. He punctuated his talk with interesting stories of men in his own organization who had made good by use of the group idea. Among those mentioned was Lester L. Burdick of Boston, who has done a notable job with both group and individual premiums. Mr. McDowell pointed out very cleverly that it isn't necessary for a producer to specialize on pure group rate insurance but that an experienced accident and health salesman could carry the group idea into solicitation by specializing for a certain period of time on selling persons engaged in one occupation. He is definitely optimistic about the future of accident and health insurance in the coming years in spite of present conditions and succeeded in transferring his enthusiasm to his listeners.

## Changes in Glass Rates for Residences Clarified

In the Jan. 15 edition reference was made to changes in plate glass rates, and the statement was made: "The old rates of \$2, \$5 and \$5.25 remain in force if other glass is insured under the same policy." This was incorrect, as the new manual page reads: "If insured under a policy which also provides other insurance the premiums are \$2, \$5, and \$5.25 respectively." This exception was made in the case of so-called combination residence policies, which in addition to glass include other forms of insurance, and the reference "other insurance" was intended to apply to such policies.

## Hoodoo Day Big Success

Early reports indicate that the Feb. 13 Hoodoo Day drive was a widespread success with many agents qualifying for the Black Cat Club by writing 13 accident policies on that day. A number of companies are taking advantage of the opportunity to stage another drive on Friday, March 13. Sales material will be available from The Accident & Health Review, 175 West Jackson boulevard, Chicago.

## Preferred Accident Parley

NEW YORK—A group of field representatives of Preferred Accident has been conferring with home officials on plans for the year. Included in the group were: Walter Clanahan, manager mid-western department, and the following special agents: F. J. Cash, Iowa, W. A. Owens, Wisconsin, and T. H. Brownrigg, Illinois, of the Chicago office; Herb Jamison, manager of the mid-eastern department, Pittsburgh; Cyrus Washburn, Pacific Coast manager, and William Selbach of Selbach & Deans, general agents, San Francisco.

## Air Insurers Cut CPT Rates 30%

### Experience Justifies Reduction for Cover in Connection with Civilian Training

NEW YORK—As a result of an analysis of their experience in connection with civilian pilot training program insurance the aviation insurance markets have announced an immediate reduction of 30 percent in CPT insurance rates for all courses, which began this month. Insurance required under the CPT program is personal accident coverage for each student which includes a \$3,000 death benefit and \$500 medical reimbursement, and public liability and property damage coverage to be carried by the flight instruction contractor.

The new rates are as follows, the figure in each case being per-student enrolled: elementary (private) course—collegiate and non-collegiate: personal accident \$4.90; liability, \$4.48; secondary course: personal accident \$6.30; liability \$5.60; advanced courses—Type A: (a combination of the secondary, cross country and instructor courses) personal accident \$17.50; liability \$13.30; advanced courses—Type B: (a combination of the cross country and instructor courses, open to graduates of the secondary course) personal accident \$11.20; liability \$7.70.

Underwriters hope that as an offset to the higher loss ratios that would be expected to result from the lowered premium rates there will be an improvement in the injury and fatality record because of the much stricter discipline that will prevail under war conditions. For example, pilots run the risk of being shot down if they fly over forbidden areas.

Another factor which should be conducive to a serious-minded attitude on the part of students is that the civil aeronautics administration has tightened up on its requirement that all CPT students agree to enter the military, naval or civilian service immediately on completion of the course. Students must now make affidavits, sworn before a notary, that on completion of the course they will immediately "apply for a position as flight instructor in the civilian pilot training program, army primary contract school, army or navy, or apply for a position as airline co-pilot or ferrying pilot or for such other flight duties in the armed air forces as are necessary in the war effort unless directed to continue in civilian pilot training."

## W. A. Schickedanz Agency Adds Three Companies

The W. A. Schickedanz general agency at Belleville, Ill., long exclusive general agent in southern Illinois for Bituminous Casualty, has been appointed supervisory general agent for Bankers Indemnity for casualty lines other than compensation, and by American Bonding for fidelity and surety business. The firm also has been named general agent for Capital Fire, a Royal-Liverpool company, for all of Illinois including Cook County.

Since it began operations in 1934 on a general agency basis, the firm has increased its premium writings from \$103,064 to \$638,621 in 1940.

## Berger Heads Los Angeles Club

LOS ANGELES—Officers have been elected by the Casualty Underwriters Club of Los Angeles as follows: President, H. E. Berger, assistant manager Zurich; vice-president, Hudson K. Smith, Fireman's Fund Indemnity; secretary-treasurer, Charles Thompson, Globe Indemnity.

## ACCIDENT AND HEALTH

### Kansas City Men Show Right and Wrong Way of Selling Accident-Health

KANSAS CITY—Demonstrations of the right and the wrong ways to attempt a sale were given at the February meeting of the Kansas City Association of Accident & Health Underwriters. The demonstrations were unrehearsed. The "prospect" was A. S. Coomer, Kansas-Missouri manager of Great Northern Life, who drew on his own long experience as salesman and manager for obstacles to put in the way of the salesman. He portrayed a new manager of a business.

John E. Miller of Johnstone & Miller, general agents Columbian National Life, demonstrated the "wrong way," exaggeratedly and facetiously inept and discourteous, demonstrating a lack of knowledge of the business and the policy he was trying to sell.

#### Gilles Demonstrates Right Way

Louis Gilles, American Savings Life, provided the contrasting picture, complimented the new manager, told his story quickly, answered questions of the prospect simply, including one about renewal after receiving payment for disability and being below normal as a result of such disability. Asked if there were any unsatisfied claims against the company, the agent was able to reassure the prospect.

Trying to put the agent off, saying he was "pretty busy today," the prospect got a fast-spoken impression of the accident hazards and dangers of delay—the agent going right ahead with his writing of application data. A short conversation about relative advantages of annual and other payments, including the agent's effort to sell the prospect on arranging for renewal payments through his bank and emphasis on importance of down payment, resulted in a check for annual premium prepared by the prospect.

### Assembles Data on Policyholders in Army, Navy

Hoosier Casualty has requested its agents to supply the home office with information concerning all policyholders now in military or naval service or likely to enter the service soon. When that information is obtained, Vice-president C. Norman Green states that the company will be in a position to formulate war coverage rules for all policyholders. The information desired is the name, address, policy number and policy form.

Hoosier Casualty announces that a policyholder who lapses on entering military and naval service may forward his policy to a home office where it will be kept on file until he is discharged. At that time upon his written request, it will be returned to him and put into effect again upon its original basis for the same premium he is now paying. Hoosier Casualty will send a receipt for each policy sent to the home office.

#### Regional Meeting in Boston

A regional meeting of the Health & Accident Underwriters Conference for members in New England will be held at the Hotel Statler, Boston, Feb. 24. John M. Powell, Loyal Protective Life, conference president, and Harold R. Gordon, executive secretary, will be in charge.

#### Milwaukee Association Elects

MILWAUKEE—Officers elected by the Accident & Health Underwriters of Milwaukee are: President, Herbert R. Adams, Old Line Life; vice-presidents, J. C. Windsor, Connecticut General; A. A. Veitenhaus, Dick & Reuteman Co.; secretary, Leo E. Packard, Loyal Protective Life; treasurer, Raymond O. Hanson, Provident Life & Accident; di-

rectors, G. A. Diehl, Business Men's Assurance; W. A. Kempf, Old Line Life; A. L. Lyttle, Massachusetts Protective; E. G. Malone, Time; E. H. Mueller, Pacific Mutual Life, and Stanley Olyniec, Washington National.

Matson Holbrook, Standard Accident, former treasurer, has joined the colors.

#### Covers Bombing, Other War Acts

The Connecticut Commercial Travelers Mutual Accident & Health of New Haven has notified its insured that all members of the accident department not in military or naval service will be covered if killed or injured within continental United States or Canada by bombing or any other act of war.

#### New Omaha Assessment Company

LINCOLN, NEB.—Articles of incorporation of the Protective Health & Accident of Omaha, operating on the assessment plan, have been approved by Director Fraizer. This is the first company organized under the law which requires all new assessment companies to put up \$10,000 in cash or securities. Officers of the new company are: Presi-

dent and treasurer, C. L. Landen; vice-presidents, F. P. Matthews and J. E. Thompson; secretary, W. R. Erwin; assistant secretary, W. Anderson. It is to be operated in connection with a small loan company, the Security Investment Company.

#### Reorganize in Jacksonville

JACKSONVILLE, FLA.—A reorganization of the Jacksonville Association of Accident & Health Underwriters has just been effected. The new association plans to take an active part in the National association as well as to become active and progressive locally. New constitution and by-laws were presented and adopted.

Present officers are: Cecil B. Lowe, General Accident, president; Ben Balay, Inter-Ocean Casualty, vice-president; Bonn Gilbert, North American Accident, secretary; Willie Rosenberg, Reliance Life, treasurer. New officers will be elected and installed next month.

#### Seattle Honors Black Catters

Ten accident and health producers received special recognition for writing 13 or more "apps" during the last Hoodoo Day drive, June 13, 1941, when the Seattle Accident & Health Managers Club held its Black Cat Day dinner in Room

13 at the College Club, Feb. 12. They were Paul R. Green, W. N. Boyd, C. V. Fletcher, H. Dwight Jordan, Linus Pearson, O. B. McCorkle, I. M. Levinson and Frank L. Vernon.

The dinner started promptly at 6:13 p. m., and the meeting adjourned at 8:13 so that all men would be fresh for the following day's activities. Prizes were awarded for the best plans for obtaining 13 applications on Friday the 13th.

#### Hear of Insurance in Japan

OKLAHOMA CITY—Howard Van Zandt of Oklahoma City addressed the Oklahoma Accident & Health Association at its February meeting on insurance in Japan and its present situation. Before the outbreak of the war he spent several years in Japan.

Plans for observing Accident & Health Insurance Week were discussed. C. W. Cameron, North American Accident, was appointed chairman of the committee in charge of the observance.

#### Plan Pittsburgh Congress

PITTSBURGH—A sales congress will be held by the Pittsburgh Accident & Health Underwriters Association the week of March 16, it is announced by President Ross F. Roberts, Loyal Protective Life. Charles H. Bokman, New Amsterdam Casualty, is chairman.

### On the job behind the lines



The present emergency gives Standard of Detroit the best opportunity in the world to do a real job for you, the agent and broker.

Standard service in *all* branches of casualty and bonding coverage is at the peak. Our safety engineering facilities are especially useful now—helping business and industry meet the nation's

production schedule, guarding America's manpower behind the lines.

In close contact with you are alert safety engineers, inspectors, auditors, claims and field men—all backed by a 58-year record of reliability and co-operation. They are prepared to do their part—to keep 'em rolling!

## STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884



*CASUALTY*  
*FIDELITY*  
*SURETY*  
**REINSURANCE**



ESTABLISHED 1911

THE  
*European General*  
REINSURANCE COMPANY, LIMITED  
OF LONDON, ENGLAND

*United States Branch*  
*99 John St., New York*

T. L. HAFF  
*U. S. Manager*

E. BRANDLI  
*Asst. U. S. Manager*

## CHANGES IN CASUALTY FIELD

### Irwin Mich. Head of General Accident

Hal M. Irwin has been appointed manager of the Michigan branch by General Accident and Potomac. Mr. Irwin joined the companies in 1920, first in the compensation and liability department in Michigan. In 1937 he was appointed assistant manager of the Michigan branch and in addition to administrative duties had charge of underwriting for compensation and liability and miscellaneous lines.

J. Gordon Pringle will manage the Michigan claim department for the companies. Before going with the Michigan branch in 1938, he operated the company's claim department in Minnesota for many years.

Edwin Gissing, since 1937 manager of the Michigan branch, goes to Chicago to assume direction of the company's service division comprising the claim, engineering and audit personnel servicing business produced by General Accident's two general agencies, Meeker-Magner Co. and Fred S. James & Co. Mr. Gissing has been with General Accident since 1934 when he established the company branch office in Springfield, Mass. He was transferred to Michigan in 1937.

### Pa. Casualty Opens Branch in Pittsburgh with Gangewere as Manager

PITTSBURGH—E. E. Gangewere, former resident vice-president for American Casualty in Pittsburgh, has been made resident vice-president of Pennsylvania Casualty with offices in the Investment Building.

Mr. Gangewere started as an agent in Bethlehem, Pa., in 1917, and later went to Philadelphia as an executive of a Curtis Publishing Company subsidiary. He then went to Reading, where he was in charge of the personnel and insurance departments for a steel company. He joined American Casualty in 1927, and traveled seven states in accident and health business for 15 months. In 1929, he opened the Pittsburgh branch, covering western Pennsylvania and West Virginia. Its premium volume now exceeds \$1,000,000. He was formerly president of the Pittsburgh Accident & Health Association.

The Pittsburgh office is a new branch for Pennsylvania Casualty. It will cover western Pennsylvania and West Virginia, and the underwriting will be done in Pittsburgh. The underwriting department is in charge of Frances M. King, formerly with General Accident for 13 years and Zurich for five years.

### F. & C. Sets Up Service Office in Kansas City

KANSAS CITY—Fidelity & Casualty has purchased the general agency department of the Turner-Nichols agency here, and has established a new district office under the direction of Howard Nichols.

A. P. Nichols, surviving partner in the agency, continues to operate the local agency department of the office under the Turner-Nichols Co. name. W. H. Turner, former partner in the agency, died recently.

The district office is a service set-up

which does its own underwriting and reporting directly to the home office.

### Madden Chief Engineer in Amer. Auto Chicago Branch

The American Automobile branch office in Chicago has organized an engineering department in charge of Edwin H. Madden. Mr. Madden resigned as engineer of the Aetna Casualty branch in Chicago to become chief engineer of American Automobile there.

Surveys will be conducted of automobile fleets, workmen's compensation, public liability, property damage and products liability, in connection with the new casualty department recently installed with Paul J. Simmons in charge.

Mr. Madden has had long experience in engineering and safety work. He was graduated from Armour Tech in 1927 in the electrical engineering school, where he won honors.

In 1924 Mr. Madden took the vocational work conducted by Illinois Bell Telephone company. He was connected with Kestner & Heck in 1926, an elevator manufacturing firm which later was purchased by Westinghouse. Mr. Madden worked for Westinghouse and its subsidiaries from 1926 to 1933, supervising construction. Then he was store manager of a refrigerator sales company



E. H. Madden

for a time. He went with the engineering department of Aetna Casualty at Chicago in 1935.

### Stone to Casualty Mutual

Irving L. Stone, safety engineer of 15 years' experience in Chicago and the midwest, has been appointed on the engineering staff of Casualty Mutual, Chicago. In addition to his engineering duties he will assist J. J. Heelan, chief underwriter. Mr. Stone has done country-wide safety work for the National Safety Council, has assisted the Chicago Safety Council and has been a speaker at many safety conferences over the country. He specializes in industrial safety work. He started with the engineering department of the Hartford Accident's western department in Chicago. Then he became western district supervising engineer of the Globe Indemnity branch in Chicago, and after eight years went with Builders & Manufacturers Casualty as home office supervising engineer. Mr. Stone went 2 years ago, with the Youngberg-Carlson Company agency of Chicago in engineering work, the connection which he resigned to join Casualty Mutual.

### G. G. W. Hoover Advanced

G. G. W. Hoover, general sales manager of the Employers of Alabama, has been made vice-president and a director. He has been with the company about 15 years. He is a brother of President W. H. Hoover.

### Templeton to Minneapolis

MINNEAPOLIS—David D. Templeton, formerly of Buffalo, has become superintendent of the bond department of Aetna Casualty in Minneapolis. He succeeds Arthur M. Angvik, who has enlisted in the navy. Wilson B. Foster is a new special agent in training in the Minneapolis office.

## CASUALTY PERSONALS

Emerson E. Hawley, 1400 North Lake Shore Drive, Chicago, who has been connected with the magazine "Design for Living" will probably re-enter the insurance business inasmuch as his publication suspended on account of the war. It built up a circulation of 60,000 but had only been in the field about six months. He had had previous magazine experience in which salesmanship and merchandising played a prominent part. Mr. Hawley was formerly connected with the underwriting department of the Travelers in Chicago. He then went with the Royal Indemnity and Eagle Indemnity in Chicago as a field man. He was manager in southern Wisconsin for the Ocean Accident and Columbia Casualty. Therefore he has had an all-round experience and together with his more recent work in salesmanship he is well equipped.

C. L. Miller, manager of the Detroit branch office of Standard Accident, at the celebration of 15 years of service with the company was presented with a service button by R. H. Platts, vice-president, and also received a large bouquet of flowers from officers and directors. Joining Standard in 1927, he became associate manager of the Detroit branch in 1935 and manager in 1938. He is a past president of the Casualty & Surety Executives Association of Michigan.

In recognition of his 25th anniversary with Travelers, E. R. Mills, assistant manager of the casualty department in New York City, was luncheon guest of his office associates.

Frank S. Becker, Jr., who has been elected vice-president of Century Indemnity and Standard Surety & Casualty of the Aetna Fire group, has been with Century many years as assistant secretary. He is a graduate of Yale and was in the insurance business nine

years before joining Aetna Fire group. He was casualty manager of a large agency in Youngstown, O., and was also executive representative of Globe Indemnity in Chicago.

E. J. Faulkner, president of the Woodmen companies, has been chosen president of the Lincoln, Neb., community chest drive for 1942.

James S. Kemper, president of Lumbermen's Mutual Casualty, Chicago, is scheduled to address the Tennessee Bar Association in Chattanooga in June.

Charles J. Hammer, resident manager of Fidelity & Casualty in Pittsburgh, was honored for 40 years of service with the company at a quiet observance in his office. Many floral tributes and messages of congratulation from far and near were received. Mr. Hammer started as an office boy in Cleveland, where he spent 18 years. He was manager in Albany for 3½ years and became Pittsburgh manager in 1923.

Ed Arnold, underwriter of Aetna Casualty in Minneapolis was married there to Miss Jeanne Morin.

B. H. Henderson, Chicago manager of Employers Reinsurance, has suffered a fractured cartilage of the left knee as a result of a volley ball game. Mr. Henderson is well remembered by national volley ball tournament players for his expert work on the Davenport Y. M. C. A. team of a number of years ago. He has been playing since 1922 and is best known as a "lifter."

W. Lee Baldwin, president of Security Life & Accident, has been elected president of the Mile High chapter of the Izaak Walton League of America. He has long been identified with sportsmen's conservation measures.

John L. Burton, for eight years an agent of Employers Mutual Casualty in Des Moines, died there. He suffered a

heart attack Dec. 18 and had been ill since then.

## COMPENSATION

### Virginia Reduction Approved

RICHMOND — Revision of workmen's compensation rates in Virginia calling for an average decrease of 5.2 percent has been approved by the corporation commission. The new rates will become effective April 1. Increases were authorized in certain specific cases. The reduction is in line with a general trend that has continued since 1936.

### Cal. Warns Insurers on Practice

Insurance companies doing business in California and self-insured employers in the state have been warned by George G. Kidwell, director of the California department of industrial relations, to cease the practice of placing on compensation checks such words as, "this check constitutes full and final payment."

Many compensation claimants are not aware that a compromise and release ordinarily must be approved by the industrial accident commission before it becomes final and have been misled by such words into thinking that all their rights under the insurance have been foreclosed.

### No Money to Prisoners

George G. Kidwell, chairman of the California industrial accident commission, has issued a statement on the status of persons in countries at war with the United States or in lands under their control.

It may be stated generally that regardless of citizenship, many employees now residing in a country at war with the United States or in lands under its control may not be paid any money or prosecute any claims to establish their rights, if any, during their residence in such locations notwithstanding the fact that in many instances they not only are American citizens but find themselves in this position because they were building fortifications or incidental equipment or accommodations.

Apparently Mr. Kidwell is referring to workmen captured by the enemy, who are now prisoners of war.

### Rules on Georgia Limit

ATLANTA—The Georgia court of appeals has ruled that an employer must have 10 workers regularly employed in order for him to be brought under the provisions of the Georgia compensation act. The ruling involved a case where a workman was injured during a two weeks period when more than 10 were employed by the employer in question. It was shown that for the remainder of the year the number employed never reached 10.

### Virginia Limit Bill Changed

RICHMOND—The Virginia senate has passed an amendment to the compensation act, making it applicable to employers of eight or more persons. It is now before the house. The bill originally made employers of three or more persons subject to the act. The senate bill which was passed, raising the maximum compensation from \$16 to \$18, is awaiting house action this week.

### A. & H. Bureau to Meet June 4-5

NEW YORK—The Bureau of Personal Accident & Health Underwriters will hold its annual meeting June 4-5 at Westchester Country Club, Rye, N. Y., where it also met in 1937, 1938 and 1939. W. F. White, Eagle, Globe and Royal Indemnity, is bureau chairman.

The various committees will hold their meetings the afternoon of June 3.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.



## SURETY

### Bank Bond Held Not to Cover Collection by Agent

RICHMOND—The United States circuit court of appeals here held in favor of Fidelity & Casualty in a fidelity bond suit by the National Bank of Burlington, N. C. It held that W. P. Crenshaw, president of a fertilizer company, who had been empowered by the bank to collect some notes, put up as collateral for a loan which the bank made to the fertilizer company, was not an employee of the bank within the meaning of the bond. He did not account for \$7,797 in collecting the notes and the bank tried to collect this loss under its bond. The federal district court at Greensboro, N. C., held for Fidelity & Casualty and was sustained on appeal.

### Municipal Tax Case Is Decided in Federal Court

Federal Judge Sullivan has ordered the city of Harvey, Ill., and eight city officials to restore \$243,000 to the city water fund, an amount which has been "diverted," according to the court. A holder of water certificates brought the suit.

While there were no sureties involved in this particular situation, the opinion is regarded as interesting to sureties because of the several other cases in the same general field, many of which are against sureties along with school boards or other municipal officials or bodies.

These situations arise from the fact that taxing bodies get their money and often spend all of it before taxes are collected. They issue tax anticipation warrants or bonds. Then the taxes fail to meet the commitments.

The practice has been to pay off holders of warrants or bonds in rotation so that those at the end of the list get nothing, rather than paying proportionately, so that everyone gets something, even though the tax collections are not enough to pay off the entire obligation. In many cases, and this is true of the Harvey case, the municipal body may spend a part of the tax money collected for some purpose other than retiring the indebtedness for which that particular tax money is earmarked. In so doing certain officials of municipalities must be used as instrumentalities, and these officials often are bonded by a surety company which brings it into actions for recovery.

### Coast Cantonment Bids Opened

LOS ANGELES—Morrison-Knudsen Co., the Griffith Co. and Ford J. Twatts Co., all of Los Angeles; Peter Kewitt Sons Co. of Omaha and Sound Construction & Engineering Co. of Seattle, bidding as a group, were low bidders on the army cantonment to be erected at

Medford, Ore. Their bid was \$27,476,219. Fidelity & Deposit, National Surety, Aetna Casualty and Pacific Indemnity were on the bid bond and will execute the payment and performance bond if the contract is let to the lowest bidder.

### Contract Bonds Pittsburgh Topic

PITTSBURGH — Ralph Rohrich, manager bond department Maryland Casualty, led a discussion on latest developments in contract bonds at the meeting of the Surety Association of

Pittsburgh. New officers will be elected at the March meeting.

### Cleveland Surety Men Meet

CLEVELAND—The Surety Association of Cleveland held its regular monthly meeting Feb. 16. A general discussion of surety problems was featured.

### Massachusetts Rules on Audits

BOSTON—Commissioners Harrington has issued detailed regulations re-

garding payroll audits, insisting on prompt auditing and collection of adjusted premiums. Among the requirements are that the assured or producer must be billed for adjusted premium the same month that the audit is made and that no adjusted premium may be admitted as an asset if more than 90 days overdue. In case of dispute, no return premium may be entered until a corrected adjustment of premium voucher is computed. Premium adjustments must not be waived, according to the Harrington regulations.

Curtiss-Wright  
Interceptor Fighter



Fidelity and Surety Bonds  
Burglary, Robbery, Forgery  
and Glass Insurance

### WANTED

Young lady experienced in casualty underwriting by large agency. State experience and give references. Apply Sol Moysey & Company, 312 James Building, Chattanooga, Tennessee.

### AVAILABLE

Experienced midwest casualty underwriter, college, age 39, draft exempt. Excellent references and reasons for change with interview. Address, P-25, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

### WANTED

Bookkeeper—Fidelity and Surety experience. Permanent position with Chicago branch office old established company. Address P-26, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

**FIDELITY AND DEPOSIT COMPANY**  
OF MARYLAND, BALTIMORE  
WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

## NEWS OF THE CASUALTY COMPANIES

### Am. Surety Sets New High in Premiums

American Surety in its new annual statement reports assets of \$29,007,341, an increase for the year of \$1,900,009. Capital remains at \$7,500,000, surplus and undivided profits are \$6,461,040, increase \$559,117; premium reserve is \$6,632,192 increase \$273,645. Net premiums written were \$11,176,170, an increase of \$634,924 and earned premiums were \$10,902,524. Total income was \$11,803,673.

Net losses incurred were \$2,647,047, a decrease of \$288,573 and disbursements were \$9,528,526. There was a net underwriting profit of \$1,182,548, net investment income of \$758,874.

The net premiums written exceeded the writings of any previous year in history. Increases were recorded in all lines except in fidelity and forgery and the decrease in fidelity was caused by the substantial premium rate reduction.

#### Accident Prevention

President A. F. Lafrentz points out that the prevention of industrial accidents is one of the most important services rendered by casualty companies and is of tremendous importance to the government in its all out national defense effort. In the selection of responsible contractors for the manufacture of supplies and the construction of facilities surety companies are of great assistance to the government by reason of their knowledge and investigation of the contractor's ability and experience, organization, equipment and finances.

There was presented a total of 29,235 claims during the year, a decrease of 645. Fidelity claims numbered 690, decrease 320; blanket bond claims 2,221, decrease 116; official claims 322, increase 17; surety 359, decrease 83; burglary 458, decrease 19; forgery 261, increase 18; plate glass 1,467, decrease 144; auto liability 2,087, increase 103; auto P.D. 8,011, increase 1,067; auto collision 72, increase 36; miscellaneous liability 1,950, decrease 235; miscellaneous P.D. and collision 431, increase 32; workmen's compensation 10,906, decrease 1,001. The loss ratio in fidelity and surety was 10.35; burglary and forgery 12.26; plate glass 34.29; other casualty claims 38.61.

American Surety during its life has had a net premium income of \$264,004,505. The net losses paid were \$76,151,785 and expenses \$162,954,945, leaving an excess from underwriting, subject to reserves of \$24,897,775, which is equivalent to 9.43 percent of the net premium income. The income from investments has been \$27,367,901 and stockholders have received in cash dividends \$26,637,350.

The affiliated New York Casualty shows assets \$6,550,295, capital \$1,000,000, surplus \$1,461,821, premium reserve \$1,852,459. Net premiums written were \$3,586,483, an increase of \$739,789.

### Hartford A. & I. Premiums Up 11.8%

Premiums of Hartford Accident during 1941 totaled \$43,649,685, an increase of 11.8 percent. Capital remains at \$5,000,000, net surplus \$20,000,000, voluntary reserve \$10,859,780, as compared with \$9,587,460. Contingency reserve was \$1,200,000 against \$800,000; premium reserve \$18,705,513 against \$17,228,857, assets \$93,368,163 as against \$87,481,750.

Underwriting profit was \$2,620,579 as against \$1,793,909 in 1940.

### Big Year for Indemnity of N. A. Premiums Up 10%

Indemnity of North America wrote \$15,345,892 in premiums in 1941, an increase of 10.8 percent. Workmen's compensation writings increased 26.29 percent to \$2,463,656. Other large increases were in accident, 26.15 percent to \$690,021; health, 34.47 percent to \$46,179; automobile property damage, 10.47 percent to \$1,234,182, and automobile liability, 10.6 percent to \$4,012,110.

Unearned premium reserve increased from \$7,428,611 to \$8,109,587. The loss ratio was 47.19 compared with 45.8, and the expense ratio also increased, from 45 to 45.61. Underwriting profits during the year were \$1,056,214.

Assets increased \$2,154,417 to a total of \$37,433,506. Surplus increased from \$8,463,261 to \$8,797,817.

### General Accident Advances Strongly

General Accident made a gain last year in assets of more than \$2,000,000 and \$528,588 in surplus. The assets are now \$42,691,178 and would be about \$200,000 more than that on Dec. 31 market quotations. Holdings of U. S. government bonds were increased more than \$2,000,000 and cash was increased more than \$1,100,000. Premium reserve is higher by \$753,882 and stands at \$9,190,515. The loss reserve of \$13,853,844 is \$447,286 higher. The voluntary contingency reserve remains at \$3,000,000 and surplus to policyholders is \$14,392,763 or on a market basis \$14,580,734.

### Fireman's Fund Ind. Has Big Gain

Net premium income of Fireman's Fund Indemnity during 1941 was \$6,886,000, a gain of \$1,044,000 over the preceding year. Assets were \$12,487,000, an increase of \$470,000. Policyholders' surplus was \$4,498,000 compared with \$4,936,000 at the end of 1940.

There was an underwriting profit, before federal income tax, of \$184,000, compared with \$463,000 in 1940.

### Fidelity & Deposit Shows Half Million Premium Gain

Fidelity & Deposit wrote premiums of \$13,811,107 in 1941, an increase of \$543,415 over 1940. Assets increased \$1,666,614 to \$27,256,949. This includes \$13,493,478 in U. S. government securities.

The company paid dividends of \$720,000 and added \$611,530 to reserve. Surplus totaled \$9,182,613.

### New Merchant Mutual Directors

M. C. Burritt, public service commissioner, and J. G. Tremaine have been elected directors of Merchants Mutual Casualty of Buffalo. Mr. Burritt fills the vacancy caused by the death of B. W. Miller and Mr. Tremaine succeeds his father, the late Morris S. Tremaine, who was New York state comptroller.

National Automobile of Los Angeles and Western Surety have applied for entry into Oklahoma.

Allied Mut. Cas., Inc.—Assets, \$1,045,926; inc., \$155,221; unearned prem., \$459,863; loss res., \$79,502; lib. res., \$206,102;

## PEERLESS CASUALTY CO.

*Keene, New Hampshire*

**ESTABLISHED 1901**

★

**CASUALTY REINSURANCE**


**EXCESS COVERS**

**FIDELITY AND SURETY BONDS**

★

*Reinsurance Headquarters*

**116 JOHN STREET  
NEW YORK**



Reproduced through the Courtesy of The Chicago Historical Society

## FIRST IN CHICAGO—YEAR 1833

### WOLF'S TAVERN

SITE OF PRESENT LAKE & MARKET STREETS

NO MENACING DRAM SHOP LIABILITY LAWS  
IN THOSE DAYS

NOW—THE OWNER OR TRUSTEE OF EVERY BUILDING  
IN WHICH LIQUOR IS SERVED  
BE IT TAVERN, CLUB OR RESTAURANT, ALSO THE  
TAVERN KEEPER  
FACES FINANCIAL RUIN  
THE SUREST PROTECTION IS INSURANCE  
FOR LOWEST RATES—MOST LIBERAL CONTRACT  
SOUNDTEST PROTECTION

ADDRESS

## A. F. SHAW & CO., INC.

CHICAGO, 175 W. Jackson Blvd. Phone, WABASH 1068



comp. res., \$2,616; surplus, \$280,961; inc., \$15,355. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$366,052	\$117,439
Other liability .....	9,746	2,159
Workmen's comp. ....	13,446	1,660
Auto prop. damage. ....	203,746	83,439
Auto collision .....	233,687	119,405
Other P. D. and coll. ....	3,429	1,308
Other auto .....	216,334	79,653
Total .....	\$1,046,440	\$405,063

**Casualty Indem. Exch., Mo.**—Assets, \$250,390; inc., \$10,152; unearned prem., \$30,937; liab. res., \$28,356; surplus, \$188,767; inc., \$4,002. Experience:

	Net Prems.	Losses Pd.
Other liability .....	\$91,799	\$10,314

**Chicago Ice Producers Mut. Liab.**—Assets, \$417,219; dec., \$1,682; unearned prem., \$18,291; loss res., \$860; liab. res., \$14,666; comp. res., \$21,774; cash, \$41,508; surplus, \$341,948; inc., \$606. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$26,917	\$13,299
Other liability .....	4,473	437
Workmen's comp. ....	53,915	26,076
Auto prop. damage. ....	9,859	4,699
Auto collision .....	2,721	918
Other auto .....	4,231	50
Total .....	\$102,118	\$45,482

**Citizens Mut. Auto, Mich.**—Assets, \$1,164,591; inc., \$97,386; unearned prem., \$568,623; loss res., \$142,028; liab. res., \$212,663; surplus, \$153,479; inc., \$1,527. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$463,523	\$176,300
Theft .....	70,094	17,020
Auto fire .....	85,393	21,441
Auto prop. damage. ....	292,542	110,471
Auto collision .....	362,832	240,135
Other auto .....	83,571	30,220
Total .....	\$1,357,955	\$595,587

**Emmeo Cas., Ind.**—Assets, \$1,004,282; inc., \$245,005; unearned prem., \$267,421; loss res., \$37,278; liab. res., \$162,922; capital, \$300,000; surplus, \$200,835; inc., \$16,630. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$420,807	\$94,490
Auto prop. damage. ....	142,598	73,501

**Frankenmuth Mut. Auto., Mich.**—Assets, \$437,075; inc., \$27,657; unearned prem., \$225,303; loss res., \$30,651; liab. res., \$51,641; surplus, \$122,846; dec., \$8,871. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$143,515	\$63,515
Occupant cov. ....	7,809	1,206
Windstorm .....	413	413
Plate glass .....	126	10,735
Theft .....	27,379	3,704
Road service .....	1,152	871
Comprehensive .....	4,276	499
Auto prop. damage. ....	87,865	49,651
Auto collision .....	173,988	167,594
Auto fire .....	28,728	7,298
Total .....	\$474,843	\$305,490

**Employers Mut. Liab., Wis.**—Assets, \$27,661,283; inc., \$5,499,576; unearned prem., \$3,863,622; loss res., \$596,438; liab. res., \$2,141,436; comp. res., \$12,428,321; surplus, \$5,000,480; inc., \$444,090. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$1,686,442	\$705,092
Other liability .....	1,228,746	205,876
Workmen's comp. ....	17,046,690	6,872,562
Plate glass .....	18,954	7,310
Burglary and theft. ....	12,306	2,042
Steam boiler .....	4,176	.....
Engine and mach. ....	4,508	1,508
Auto prop. damage. ....	505,152	278,579
Auto collision .....	268,566	165,006
Other P. D. and coll. ....	250,135	57,488
Total .....	\$21,025,675	\$8,295,463

**Grange Mut. Cas., O.**—Assets, \$319,695; inc., \$45,154; unearned prem., \$91,646; loss res., \$37,131; liab. res., \$70,673; guaranty capital, \$12,000; surplus, \$103,664; dec., \$1,073. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$944	\$1,376
Auto liability .....	137,339	70,346
Medical payments .....	4,190	121
Auto fire and theft. ....	33,347	11,943
Auto prop. damage. ....	58,909	45,817
Auto collision .....	98,398	65,266
Total .....	\$333,128	\$194,869

**General Accident**—Assets, \$42,691,179; inc., \$2,069,610; unearned prem., \$9,190,515; loss res., \$1,216,971; liab. res., \$7,391,804; comp. res., \$3,745,069; capital

\$550,000; surplus, \$13,842,763; inc., \$528,588. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$711,788	\$255,861
Health .....	666,510	288,920
Auto liability .....	8,725,995	3,044,545
Other liability .....	1,809,517	378,746
Workmen's comp. ....	4,439,535	2,121,072
Plate glass .....	196,684	89,894
Burglary and theft. ....	564,511	145,880
Steam boiler .....	120,421	7,216
Engine and mach. ....	47,166	183
Auto prop. damage. ....	2,408,518	1,235,503
Auto collision .....	381,861	94,201
Other P. D. and coll. ....	130,047	21,708
Total .....	\$20,202,553	\$7,683,729

**Government Employees, D. C.**—Assets, \$1,226,038; inc., \$378,191; unearned prem., \$672,263; loss res., incl. \$15,711 adjusting expense, \$112,499; liab. res., \$179,769; capital, \$100,000; surplus, \$132,553; inc., \$11,345. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$501,822	\$140,926
Pass. med. payments .....	26,072	3,776
Auto prop. damage. ....	170,975	69,559
Auto collision .....	349,033	198,415
Other auto .....	163,587	50,137
Total .....	\$1,211,489	\$462,813

**Hardware Mut. Cas., Wis.**—Assets, \$15,948,357; inc., \$1,548,182; unearned prem., \$5,154,038; loss res., \$457,893; liab. res., \$3,664,832; comp. res., \$2,131,162; guaranty fund, \$500,000; surplus, \$2,634,079; inc., \$301,370. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$5,649,084	\$2,073,569
Other liability .....	580,264	149,688
Workmen's comp. ....	3,366,907	1,622,318
Plate glass .....	188,571	72,146
Burglary and theft. ....	168,392	30,063
Auto prop. damage. ....	1,704,846	786,511
Auto collision .....	1,129,975	501,760
Other P. D. and coll. ....	54,852	18,732
Total .....	\$12,842,891	\$5,261,087

**General Indem. Exch., Mo.**—Assets, \$316,141; inc., \$14,785; unearned prem., \$38,029; loss res., \$5,202; liab. res., \$16,810; comp. res., \$2,510; surplus, \$251,931; inc., \$13,277. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$41,671	\$6,780
Other liability .....	13,630	6,142
Workmen's comp. ....	15,328	6,192
Auto prop. damage. ....	9,867	4,200
Auto collision .....	5,675	3,501
Other auto .....	5,759	783

**Hartford Steam Boiler**—Assets, \$22,156,218; inc., \$1,326,497; unearned prem., \$10,558,705; loss res., \$555,869; capital, \$3,000,000; surplus, \$6,566,462; dec., \$1,462,239. Experience:

	Net Prems.	Losses Pd.
Steam boiler .....	\$4,118,277	\$526,800
Engine and mach. ....	3,610,578	797,523
Total .....	\$7,728,855	\$1,324,324

**Harleysville Mut. Cas., Pa.**—Assets, \$3,592,311; inc., \$79,981; unearned prem., \$960,429; loss res., \$1,357,535; surplus, \$851,619; inc., \$12,263. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$1,317,622	\$542,517
Auto prop. damage. ....	522,849	295,760

**Home Mut. Cas., Wis.**—Assets, \$287,513; inc., \$50,556; unearned prem., \$114,450; loss res., \$15,963; liab. res., \$98,145; surplus, \$57,214; inc., \$1,121. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$172,861	\$95,948
Auto prop. damage. ....	62,249	28,432
Auto collision .....	18,828	9,776
Other auto .....	23,589	2,833
Total .....	\$277,527	\$136,989

**International Travelers Assur.**—Assets, \$608,353; inc., \$70,354; unearned prem., \$16,699; loss res., \$7,020; capital, \$100,000; surplus, \$60,281; inc., \$9,633. Experience:

	Net Prems.	Losses Pd.
Accident and health. ....	\$7,332	\$39,844
Total .....	\$7,332	\$39,844

**Illinois Mut. Cas.**—Assets, \$218,266; inc., \$43,139; unearned prem., \$80,436; loss res., \$42,461; surplus, \$81,818; inc., \$28,692. Experience:

	Net Prems.	Losses Pd.
Accident and health. ....	\$48,128	\$222,678

**Ill. Agricultural Mut.**—Assets, \$2,734,751; inc., \$114,991; unearned prem., \$653,033; loss res., \$324,544; liab. res., \$533,

230; surplus, \$937,470; dec., \$342,050. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$15,285	\$3,233
Auto liability .....	675,205	299,142
Employer's liability. ....	59,016	13,318
Fire, wind and theft .....	189,235	41,601
Comprehensive liab. ....	1,979	53
Cargo .....	8,537	827
Auto prop. damage. ....	282,858	188,545
Auto collision .....	938,533	669,416
Livestock .....	5,167	2,748
Total .....	\$2,175,815	\$1,218,883

**Inland Bonding, Ind.**—Assets, \$571,774; dec., \$107,515; unearned prem., \$76,566; loss res., \$58,288; capital, \$250,000; surplus, \$214,928; dec., \$16,607. Experience:

	Net Prems.	Losses Pd.
Surety .....	\$16,104	\$58

**National Mut. Cas., Okla.**—Assets, \$928,835; inc., \$173,521; unearned prem., \$349,529; surplus, \$151,945; inc., \$8,722. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$358,273	\$129,848
Auto prop. damage. ....	183,526	21,301
Auto collision .....	67,300	57,939
Auto fire, theft and compr. ....	50,481	30,904
Total .....	\$659,580	\$239,992

**Mich. Mut. Auto**—Assets, \$276,495; inc., \$16,506; unearned prem., \$116,905; loss res., \$18,579; liab. res., \$40,040; surplus, \$66,176; inc., \$5,113. Experience:

	Net Prems.	Losses Pd.
Auto fire .....	\$12,238	\$2,876
Auto theft .....	11,884	2,500
Auto liability .....	96,831	46,267
Auto prop. damage. ....	54,350	28,045
Auto collision .....	54,568	35,302
Other auto .....	11,798	4,472
Total .....	\$241,671	\$119,464

**Mid-Western Cas., Ind.**—Assets, \$138,733; unearned prem., \$52,565; loss res., \$14,465; liab. res., \$9,910; surplus, \$52,202; inc., \$1,123. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$4,778	\$18,718
Auto liability .....	36,220	14,029
Other liability .....	2,084	237
Burglary and theft. ....	3,324	958
Fees .....	252	.....
Auto prop. damage. ....	21,474	7,227
Auto collision .....	37,617	19,798
Other P. D. and coll. ....	2,144	267
Other auto .....	27,469	9,253
Total .....	\$175,366	\$70,490

**Monarch Life**—Assets, \$7,805,403; inc., \$871,995; unearned prem., \$693,961; loss res., \$531,826; non-can A&H res., \$938,441; capital, \$445,600; surplus, \$1,001,481; inc., \$61,532. Experience:

	Net Prems.	Losses Pd.
Accident and health. ....	\$192,305	\$101,839
Non-canc. H. & A. ....	3,477,233	1,557,111
Total .....	\$3,669,539	\$1,658,950

**Mutual Auto, Wis.**—Assets, \$227,422; inc., \$6,731; unearned prem., \$84,969; loss res., \$7,350; liab. res., \$32,362; surplus, \$96,750; inc., \$7,237. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$103,192	\$79,733
Auto fire .....	4,702	739
Auto plate glass .....	125	114
Auto burg. and theft. ....	2,682	213
Auto comprehensive .....	5,747	733
Auto prop. damage. ....	44,285	21,309
Auto collision .....	9,152	5,262
Other auto (med. pay.) ....	118	.....
Total .....	\$170,267	\$108,132

**Mutual Benefit H. & A.**—Assets, \$16,006,824; inc., \$3,570,304; unearned prem., \$3,949,468; loss and claim res., \$7,189,231; non-can. A&H res., \$664,007; surplus, \$2,530,283. Experience:

	Net Prems.	Losses Pd.
Accident & health. ....	\$22,254,221	\$10,144,251

**National Auto, Cal.**—Assets, \$6,946,024; inc., \$318,610; unearned prem., \$2,180,510; loss res., \$229,112; liab. res., \$329,288; comp. res., \$2,005,544; capital, \$300,000; surplus, \$1,462,321; inc., \$166,676. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$489,210	\$299,561
Other liability .....	263,326	55,448
Workmen's comp. ....	2,308,739	1,072,571
Fidelity .....	6,725	2,263
Surety .....	178,551	31,374
Plate glass .....	29,076	12,129
Burglary and theft. ....	25,561	8,445
Auto prop. damage. ....	165,381	91,917
Auto collision .....	929,715	481,486
Other P. D. and coll. ....	24,928	9,639
Other auto .....	394,274	163,623
Total .....	\$4,815,488	\$2,158,461

**National Mut., D. C.**—Assets, \$158,243; inc., \$2,253; unearned prem., \$27,008; loss

res., \$13,251; liab. res., \$54,971; surplus, \$50,472; inc., \$358. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$119,160	\$58,367
Auto prop. damage. ....	78,658	25,832
Auto collision .....	172	.....
Other auto .....	171	375
Total .....	\$198,161	\$84,574

**National Travelers Cas., Ind.**—Assets, \$332,139; dec., \$1,166; unearned prem., \$41,051; loss res., \$23,081; noncan A&H res., \$853; surplus, \$225,000; contingency res., \$36,286. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$88,335	\$43,370
Health .....	67,415	30,479
Non-canc. H. & A. ....	21,977	6,735
Total .....	\$177,727	\$80,584

**Northwest Cas., Wash.**—Assets, \$3,477,063; inc., \$375,820; unearned prem., \$1,522,571; loss res., \$201,862; liab. res., \$805,798; capital, \$400,000; surplus, \$424,977; inc., \$37,940. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	\$1,162,545	\$ 417,466
Other liability .....	138,039	29,731
Surety .....	10,015	.....
Plate glass .....	24,297	9,844
Burglary and theft. ....	35,636	8,637
Auto prop. damage. ....	375,698	176,964
Auto collision .....	769,365	381,821
Other P. D. and coll. ....	12,079	1,501
Other auto .....	387,490	131,278

## (CONT'D FROM PRECEDING PAGE)

<b>Business Men's Assur.</b> —Assets, \$29,588,122; inc., \$7,469,729; unearned prem., \$538,095; loss res., \$1,629,852; non-can. A&H res., \$88,930; capital, \$1,000,000; contingency surplus, \$400,000; surplus, \$1,171,383; inc., \$527,870. Experience:		
	Net Pmts.	Losses Pd.
Accident .....	\$ 961,230	\$ 400,267
Health .....	1,650,800	1,016,502
Non-canc. H. & A. ....	71,059	31,683
<b>Total .....</b>	<b>\$2,683,090</b>	<b>\$1,448,453</b>

<b>Employers, Ala.</b> —Assets, \$589,615; inc., \$102,058; unearned prem., \$186,190; loss res., \$5,520; liab. res., \$33,355; comp. res., \$105,980; capital, \$100,000; surplus, \$106,732; inc., \$4,806. Experience:		
	Net Pmts.	Losses Pd.
Accident .....	\$ 234	\$ 1,307
Auto Liability .....	122,233	38,524
Other Liability .....	24,093	8,565
Workmen's comp. ....	352,916	131,145
Plate glass .....	2,551	1,332
Fire and theft .....	24,382	3,512
Auto prop. damage. ....	33,972	23,827
Auto collision .....	29,886	13,437
Other P. D. and coll. ....	6,308	659
Hospital ins. ....	3,246	6,291
<b>Total .....</b>	<b>\$ 599,821</b>	<b>\$ 228,600</b>

<b>Southern Fidelity Mut. N. C.</b> —Assets, \$69,254; inc., \$737; unearned prem., \$5,864; loss res., \$3,021; capital, \$35,000; surplus, \$19,989; inc., \$87. Experience:		
	Net Pmts.	Losses Pd.
Accident .....	\$ 186	\$ 4,388
Health .....	12,669	2,263
Fidelity .....	7,169	2,263
Surety .....	3,872	424
<b>Total .....</b>	<b>\$ 23,896</b>	<b>\$ 7,064</b>

<b>Ohio Farmers Indem.</b> —Assets, \$2,018,629; inc., \$345,525; unearned prem., \$453,414; loss res., \$102,829; liab. res., \$543,301; capital, \$300,000; surplus, \$596,804; inc., \$44,954. Experience:		
	Net Pmts.	Losses Pd.
Accident .....	\$ 44,003	\$ 5,831
Auto Liability .....	692,133	169,151
Other Liability .....	46,570	4,682
Plate glass .....	11,150	4,500
Burglary and theft. ....	13,846	2,179
Auto prop. damage. ....	272,057	143,632
Other P. L. and coll. ....	2,864	165
<b>Total .....</b>	<b>\$1,082,623</b>	<b>\$ 330,140</b>

<b>Insurers Indem. &amp; Ins., Okla.</b> —Assets, \$1,057,833; inc., \$143,199; unearned prem., \$156,166; loss res., \$5,973; liab. res., \$65,580; comp. res., \$148,715; capital, \$250,000; surplus, \$300,000; inc., \$50,000. Experience:		
	Net Pmts.	Losses Pd.
Auto Liability .....	\$ 109,487	\$ 32,877
Other Liability .....	26,547	6,020
Workmen's comp. ....	395,686	170,718
Plate glass .....	4,195	1,047
Burglary and theft. ....	5,005	1,274
Auto prop. damage. ....	45,369	14,641
Auto collision .....	355	.....
Other P. D. and coll. ....	12,571	218
<b>Total .....</b>	<b>\$ 599,215</b>	<b>\$ 226,795</b>

<b>Loyal Protective Life.</b> —Assets, \$2,488,758; inc., \$220,432; unearned prem., \$220,040; loss res., \$238,036; non-can. A&H res., \$108,629; surplus including capital, \$1,317,665. Experience:		
	Net Pmts.	Losses Pd.
Accident .....	\$ 476,376	\$ 239,035
Non-canc. H. & A. ....	811,808	263,382
<b>Total .....</b>	<b>\$1,288,184</b>	<b>\$ 502,417</b>

The best way to increase your casualty premiums is to read *The Casualty Insurer*. Subscription price only \$1.50 a year. 175 W. Jackson Blvd., Chicago.

Opportunities  
for Salesmen in  
**48**  
States

**Income  
Insurance  
Specialists**  
• NORTH AMERICAN ACCIDENT  
INSURANCE COMPANY • 209 SO. LA SALLE STREET  
CHICAGO

## Extra Demands on Industries

### Companies Find It Necessary to Strengthen Inspection Service

Casualty companies are strengthening their inspection system in view of greater demands on industry, the more continuous use of machinery and the hazards that develop under such conditions. A plant may have been running seven or eight hours a day heretofore with 200 men, for example, and may now be running two or three shifts a day with 600 men employed. Much new help has had to be brought into the work. Many workmen are inexperienced but learning gradually how to operate machinery.

### Weaknesses Are Brought Out

The very fact that the plant is operating twice or three times as long as before is a hazard in itself. It is known that the continual use of machinery results in its becoming "tired." Then many weaknesses become vital and may cause considerable havoc. The safeguards that were necessary for experienced men need to be reinforced and increased in many particulars. The danger of accident is multiplied many fold owing to the hurried situation of today. Therefore more inspectors are being sent out and more are being trained for additional work that will be required.

Where a company has the workmen's compensation and other lines on a huge defense industrial plant it requires the entire time of one or more inspectors. They have explicit instructions to watch every possible hazard and take up any recommendations with the management. The management itself is interested in eliminating danger since it is highly essential that there be no interference with the operations. The engineering department of a casualty company and its branches therefore has become much more important owing to this defense and war situation.

### Watch Defense Claims

The claim departments are instructed in case of accidents in defense plants to study carefully the cause and see whether there is any indication of sabotage. So far but few have occurred that looked insidious. Most of the accidents are due to speed and continuous operations. Claim managers, however, are watching every accident report and making a study to see whether there is anything that looks suspicious. Company executives certainly regard the inspection work today as important as any other feature of a company since it is most necessary for all plants to be in continuous operation without extended delay due to accidents.

### Custodian for Mich. Reciprocal

LANSING, MICH. — Commissioner Berry has obtained a circuit court order placing the National Automobile Owners Inter-Insurance Association of Gladstone in temporary receivership. The reciprocal, organized in 1913, has been operating of late years chiefly in Min-

nesota. Its statement as of Dec. 31, 1941, shows \$73,000 premiums in Minnesota and \$17,000 in Michigan.

Seth H. Burwell of the Michigan department has been named as the active conservator and is going to Gladstone immediately to take charge. No statement of the extent of impairment, if any, has been released. Louis Empson, attorney-in-fact for the reciprocal, consented to the custodianship.

## Insurance Conditions in Sweden Are Discussed

The "Review" of London tells about Swedish insurance conditions, saying that insurance and reinsurance relations with Great Britain have been maintained. British insurance and reinsurance companies have continued to operate in Sweden. The value of maintaining this international contact, says the "Review," was amply brought home to people in Sweden in the course of 1940 when, owing to an exceptionally heavy fire loss experience, foreign companies in a difficult period in the history of their own country contributed substantially toward covering the heavy cost of Sweden's fire loss. As in England, war risk insurance is a government matter but in Sweden it has been made a condition that the insured property is covered for civil risks under a fire or marine policy.

### Experience on Industrial

Industrial risks have been rated higher since Nov. 1, 1940. In 1940 premium incomes were higher and first year claims experience was more satisfactory but a little heavier than in 1939. Liability insurance, says the "Review," presents a varied experience. At times the business came almost to a standstill especially automobile insurance, which has been greatly affected by war conditions. Cancellation of business was the order of the day in most cases. Automobile business was strongly affected by petrol restrictions especially by the almost complete suspension of private traffic which was imposed in November, 1940. It has been estimated that between 70 and 80 percent of the registered cars in 1940 had been struck off the register temporarily.

### Heavy Rise in 1941 Crime

Automobile third party business, says the "Review," is affected by losses caused by trailers and there have been a large number of cases of gas poisoning and explosion. Crime increased heavily during 1940 so that the tendency toward higher burglary losses was noticeable. The first month of 1941 brought extremely cold weather conditions and

## Certified Public Accountants

### ILLINOIS

**S. ALEXANDER BELL**  
Associated with  
**BAUMANN, FINNEY & CO.**  
Certified Public Accountants  
Insurance Accounting, Audits and Systems  
208 South La Salle Street  
Chicago, Illinois  
Telephone: Central 1370

**CHASE CONOVER & CO.**  
Auditors & Accountants  
135 So. La Salle Street  
Chicago  
Telephone Franklin 3868

## Ohio "Vicarious Liability" Auto Law Causes Comment

COLUMBUS, O.—There is considerable interest in insurance circles over the new "vicarious liability" law of Ohio. This statute imposes liability for negligence of a person under 18 in an automobile accident upon the parent or other person signing the minor's application for a driver's license.

While some insurance men seem to think that liability under this law may not be covered, it seems difficult to support this contention. Observers point out that 26 other states, the District of Columbia and Hawaii have "vicarious liability" laws and that no question of coverage seems to have been raised in any of these localities. Actually, the Ohio law is a very mild specimen. A number of states, including Michigan and New York, make the owner of an automobile liable for the negligence of anyone driving it, regardless of age or relationship.

## Ease Equity Rating Rule for Garage Liability

That the National Bureau of Casualty has reduced the minimum annual payroll for equity rating of garage liability policies from \$15,000 to \$7,500 was announced by Assistant Secretary Otway Conard at the regional meeting of Standard Accident in Chicago Wednesday. This is expected to offset the reduction in payroll which many garages will experience because of restrictions on auto and tire sales.

sleet which with a shortage of fuel caused many water damage claims. New life insurance slumped further in 1940 and from reports the decline continued last year.



Mr. Agent: What patriotic service could be greater than sponsoring a real safety campaign in your community?

Accidents delay production. They cripple transportation. They rob the nation of essential manpower!

Accidents Definitely Hinder the War Efforts of Our Country!

**COMMERCIAL  
STANDARD**  
INSURANCE COMPANY  
Fort Worth



# POINTERS FOR LOCAL AGENTS

## Opportunities for Service and Increased Sales Told

SAN FRANCISCO — The present war situation definitely presents many opportunities for local agents to increase their services to clients and the nation, as well as to increase their premium volume, fire and casualty fieldmen stressed before the spring series of regional meetings being conducted by the California Association of Insurance Agents in northern California. The meetings were continued in central and southern California.

In the majority of cases agents attending the sessions reported healthy increases in business. Although there is no particular increased "demand" for protection, they did find that by concentrated, systematic sales effort they are definitely adding to business of clients already on their books. The general public is far more insurance-conscious than before the war.

### Many New Opportunities

Although business is being hurt by curtailment of building, this is definitely offset by the opportunities presented for development of new business, new lines, and the development of a larger clientele, fieldmen pointed out. Dwelling construction costs have advanced 25 percent during the past year so coverage on practically every dwelling risk can be increased from 5 to 25 percent. Even if houses are old, since building costs are now higher, these structures are definitely worth more than they were a year ago.

Rents have increased and rental value insurance becomes more important, not only because rents are higher but because of the difficulty of replacing property. Rebuilding after a fire loss which previously took three months now may take six months, if the insured is fortunate, because of scarcity of materials and other factors brought about by the war. The home owner, it was pointed out, needs rent insurance and the agent who is fulfilling his duty will sell this protection. Tree, lawn and shrubbery coverage should also be presented because of difficulty of replacement. New household furniture has increased in value about 26 percent, which means that every household policy will stand an increase. Inventories which were correct a year or even six months ago, are now obsolete and should be revised with additional coverage being placed.

### Carry Large Stocks

Agents will find numerous merchants are carrying large stocks of goods, having placed orders in anticipation of a shortage. This is particularly true of hardware and clothing merchants and the excess stocks should be covered.

Farmers who have previously left vital machinery uninsured, are now good prospects because they should protect it from the elements as it is irreplaceable and will be concentrated in buildings.

It is the agent's duty to see there is sufficient coverage to meet the requirements of the average clause. One agent wrote \$8,000 in additional premiums by going through his files and writing to the owner of every mercantile building on his books regarding the need for additional insurance so the average clause would be complied with.

Rental value insurance on mercantile

buildings deserves serious consideration and business can be written with the current increase in rental values. Agents were urged not to overlook use & occupancy and additional charges and expense coverage.

### Can Finance Premiums

While addition of some of these lines may create a financial burden, insurance premium financing can be used as another argument in selling additional lines. Clients should be urged to consider the relation between taxes and insurance, it being pointed out that an increase in insurance premiums results in reduction in taxes.

Inland marine lines provide many opportunities for adding to premium volume. Incomes are being shifted from the white collar to the overall class and the latter are now buying fur coats, wrist watches, silverware and similar articles, becoming prospects for inland marine floaters. Prospects are better now than ever before for covering scientific instruments, it was pointed out, particularly because of difficulty of replacement. Contractors are also finding it difficult to replace their equipment with resultant higher value which should be covered. Owners of shipyards, factories and other defense industries are buying furniture, clothing and other things of a similar nature which should be covered by personal property floaters.

### Contribute to Fire Prevention

If the agent is to serve his clients well and as completely as he should, he will be a very busy man and he will find his place in the total war effort. Through solicitation of fire insurance, agents are contributing toward fire prevention by making property owners fire conscious, they are furnishing protection for property which, if destroyed, cannot be replaced, and they are doing a great deal toward improving and preserving morale by providing their clients with a sense of security and peace of mind through selling insurance.

Considerable time was devoted to automobile coverage. The very reasons for loss of business, i. e., elimination of production of new cars, rationing of tires, lack of parts for repairs, are the best sales arguments for retention of old business and sale of new business. Smooth tires, aged cars in poor condition because of shortage of repair parts and shortage of mechanics mean increased traffic hazards with greater likelihood of loss through public liability, property damage and collision. Agents were urged to sell comprehensive cover, particularly in view of the tire theft racket. Increased need for medical payments coverage was stressed.

### Burglary Offers Opportunity

Burglary is another line which should be easier to sell now because of increased opportunities for residence burglaries due to blackouts and other wartime measures. The increased cost of replacement of articles stolen is also a talking point on this line. Mercantile burglary lines should also be pushed since merchants depend upon lights as protection against burglary and these lights are unavailable during blackouts, with increased opportunity for window breakage and theft. Plate glass also becomes more important under present

conditions when it is considered that a demolition bomb breaks glass in a five or ten block area. It is increasingly difficult to get replacement parts for boilers and the long delay in repairs makes U. & O. essential.

More general liability should be written with stress placed on the increased hazard during blackouts. The low cost of residence liability should also make it easier to sell this class of coverage.

Personal accident insurance is also intrestingly important with curtailment of the breadwinner's income being more severe with present prices and conditions. War conditions tend to increase the hazard of accident and defense workers are good prospects for non-occupational coverage.

### Bonds Greater Necessity

Labor turnover makes surety and fidelity bonds a greater necessity than ever before, while building projects offer an opportunity for contract bonds.

As the first obligation of agents is to their present clientele, it was urged that exhaustive surveys be made to make sure that their client's present needs are adequately covered, particularly under present conditions when, after payment of taxes, higher cost of living, etc., less money remains for uninsured losses. These losses which have heretofore been absorbed cannot be met as readily now under present conditions.

### Surveys Essential

Agents were urged to make as their purpose this year the surveying and programming of each client's needs. Such surveying and programming will result in additional income. The survey locates weaknesses in the client's insurance and through programming the agent will protect himself against competitors and give professional service. Agents were urged to adopt the slogan: "Keep 'em Buying."

At the northern California meetings C. W. Carpenter, vice-president California Association of Insurance Agents, reviewed the organization's sales promotion program, under which fire and casualty fieldmen are available as speakers before local agents' associations. John T. Breckon, assistant B. D. O. director, is attending all of the regional meetings throughout the state, arranging meetings to be addressed by the field men during the next three or four months.

Mr. Carpenter reported that the adherence program to the Declaration of Guiding Principles is progressing satisfactorily and that in recent months more complaints of non-conformity on the part of companies are being received from fieldmen and companies than from the agents.

### Mend Finance Fences

Mr. Carpenter urged agents to use this period when the automobile dealers are perforce inactive to "mend their fences" in order to be in position to write the insurance when new cars are again placed on sale. In a few months most of the contracts on financed cars will run out and the owners will then be in position to place the business through the agents. As owners will be borrowing on their cars to pay taxes, the cars will have to be insured. If agents will keep in touch with car owners in the next few months, they can definitely change the picture as regards the competition of automobile dealers, he declared.

Mr. Carpenter announced that the association is awarding a trophy to the director making the greatest increase

## Insurance Men Can Look Ahead with Confidence

MINNEAPOLIS — Insurance men can look ahead with more confidence in the future than can men in many other lines of business, A. B. Jackson, assistant to the president St. Paul Fire & Marine, declared before the Insurance Club of Minneapolis. Mr. Jackson advised agents to dig in harder than ever, do a better job than they ever have done before and to stress service to policyholders as the latter need expert advice of agents more than ever.

Insurance has come through periods of stress much better than most lines of business, Mr. Jackson stated. "You can thank your stars that you are not in some other business in these trying times."

In analyzing the effects of the war on insurance, Mr. Jackson predicted that:

Insurance will be bought in larger pieces in the future. Heavy taxes need not cause policyholders to reduce their insurance; allowable deductions should take care of this. Agents will be slower in feeling the effects of the war on automobile coverage than will the companies. Inland marine business will be affected and ocean marine volume will get a severe jolt. A reduction in aviation business is likely.

A promising field for the agent is farm business, Mr. Jackson pointed out. "Already there is talk of taking steps to curb a land boom," he added. "There is no question this country will be called upon to feed the world after the war."

The war is likely to put an end, temporarily at least, to the demand for agents' qualification legislation, Mr. Jackson predicted. However, the agent who carries on his business "under his hat" will pretty much pass from the picture, he said.

in membership in his territory before the next convention.

Fire field men appearing at the northern California regional meetings were: Charles A. Brown, Fireman's Fund; Owen Parker, Norwich Union; Eaton Anderson, Phoenix of Hartford; Roy O. Green, Aetna Fire; A. H. Bonstin, New York Underwriters, president Special Agents Association of Central-Northern California. Casualty fieldmen included: Harold Minkler, Hartford Accident; E. J. Hedemark, Fireman's Fund Indemnity, president Northern California Casualty Fieldmen's Association; Larry Carroll, Massachusetts Bonding; F. H. Pratt, Royal Indemnity; Leo Andre and Cliff Lussier, Fireman's Fund Indemnity.

Those appearing in central California included Floyd Lobree, Fireman's Fund, and Charles B. Stewart, Home Indemnity.

### Bombardment Cover Much Sought

CINCINNATI — The Thomas E. Wood agency which has run a number of newspaper advertisements on bombardment insurance reports a tremendous response to the advertisement, not only from their regular customers, but from many business houses that they have been unable to sell heretofore and, of course, inquiries from other agencies. The Wood agency is placing bombardment insurance in the Rhode Island.





# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Omaha General Agency Is Sold

OMAHA—The Underwriters General Agency, of which Earl W. Neuberger has been president and Roland E. Murphy vice-president, has been sold to the Reynolds General Agency of Fremont, Neb., operated by C. J. Reynolds and C. E. Schurman.

Mr. Murphy, who holds the rank of lieutenant-colonel in the U. S. cavalry reserve, will shortly be called into service, and this is the reason the agency has been sold.

The Underwriters has been operated for two and one-half years. Mr. Murphy was previously with the Northwestern Fire & Marine group and Mr. Neuberger with Hartford Fire in Nebraska for a number of years. Mr. Neuberger's plans are indefinite.

The Underwriters represented American Home Fire, Fire Association, New England, Provident Fire, Sun, American Casualty and Car & General in Nebraska and American Home, New England, Caledonian, and Provident Fire in Iowa. Excluding Caledonian, the Reynolds agency will represent these companies, and in addition will have Minneapolis F. & M., Royal Exchange, Sun Indemnity and Pennsylvania Casualty.

A. L. Millhollin, formerly special agent for the Underwriters, will continue in that capacity for the Reynolds agency.

### May Cut Wayne County Cover

DETROIT—Following disclosure of alleged bribery in connection with the placing of insurance coverage for Wayne county (Detroit) which resulted in the removal from office of two of the three county auditors, the new board has recommended drastic cuts in county insurance, premiums on which now total about \$38,000 per year on \$17,000,000 of coverage.

Among recommendations being discussed by the board is a cut of insurance on the detention home from \$1,132,000 to \$46,200 and reduction of the \$1,505 premiums on the home, juvenile court and power plant to \$208. The grand jury investigation indicated that a large share of the \$38,000 annual premiums were being "kicked back" to the two removed auditors by agents handling the business.

### Myers Elected by Mutual Group

LANSING, MICH.—At its annual meeting here the Farm Excess of Loss Association, farm mutual reinsurance pool organization, elected W. J. Myers, Michigan Millers, Dowagiac, president, and Arvid Mustonen, Rock, vice-president. L. P. Dendel, Lansing, was re-elected secretary-treasurer and O. H. Holmes, Howell, was re-elected to the governing board.

Five new members have joined the pool: Maple Grove Mutual, Chesaning; Frankenmuth Mutual; German Farmers' Mutual Protective, Port Hope, and Ogden Mutual and Riga Mutual of Blissfield.

The Michigan Association of Mutual Insurance Companies also held a special meeting at which arrangements were made for the distribution of fire prevention circulars and inspection blanks in connection with the state defense council's anti-fire campaign.

### Hail Meeting at Minneapolis

MINNEAPOLIS—Hail adjusters will confer here March 31 and April 1, with George S. Hansen of Aetna Fire as

chairman. Those who will serve as committee chairmen are O. B. Jacobs, Northwestern Fire & Marine, registrations; E. C. Roberts, Great American, Redfield, S. D., policy contracts and endorsements; W. J. Cassidy, Home, Minneapolis, corn losses; Grover C. Edwards, America Fore, Chicago, small grain losses; R. W. White, Midland General Agency, Minneapolis, loss clearing reports and Herbert J. Clough, America Fore, Minneapolis, quiz program.

### Rogers, Vernor at Defense School

R. E. Vernor and H. K. Rogers of the Western Actuarial Bureau will conduct an all-day school in civilian defense matters at Morris, Ill., Thursday for the Grundy county defense council. The meeting is under the auspices of the state defense council.

Subjects discussed by Messrs. Vernor and Rogers will include war time problems, organization, public education in civilian defense matters and incendiary problems. Major J. W. Lasier of the sixth corps area will also take part.

### Linnell Has Safety Message

An interesting article on highway safety and patriotism that was prepared by T. J. Linnell, general agent of Minneapolis and chairman of the Hennepin County Safety Council, for the state highway department, was reported in about 100 Minnesota newspapers. Among other things he pointed out that last year 20,000 men of war-service age were killed in needless traffic accidents. Carelessness now, he asserted, is akin to disloyalty and careful, conservative driving is a patriotic duty.

### Jewson Heads Wausau Board

WAUSAU, WIS.—The Wausau Board has elected George Jewson president to succeed Elmer Solander. Other officers are Burk Walters, vice-president, and Miss Lillian Rohr, secretary-treasurer. The board recently cooperated with the Wisconsin State Fire Prevention Association to conduct a two-day inspection of local risks. Walter H. Flieth was general chairman, and field men were headed by William W. Ferguson, state agent of Queen.

### Compose Minneapolis School Issue

MINNEAPOLIS—The Minneapolis public school insurance, amounting to something over \$3,000,000 after some controversy has been renewed under an arrangement satisfactory to all concerned. As has been the case in the past, most of the insurance is placed with agents representing stock companies.

### K. C. Agents to Start Course

Cliff Johnston, chairman of the educational committee of the Insurance Agents Association of Kansas City, is arranging an educational program, to begin with an 8-hour course in inland marine. This will tie in with the suggested educational program of the National association.

### Iowa Federation Meets Friday

DES MOINES—The Insurance Federation of Iowa is holding its annual meeting in Des Moines Feb. 20. There will be no election as the present officers will start the second year of two-year terms.

Principal topics to be discussed will be problems arising out of the war emergency. President P. C. Hopkins said. One matter expected to come up for discussion will be the use of con-

tinuation certificates for fire and casualty policies, recently approved by the Iowa department.

### Asks Receiver for Agency

H. B. Hall, until recently senior partner in the H. B. Hall & Co. agency, Iowa Falls, Ia., has filed suit for appointment of a receiver for the agency. He asserts that A. C. Otterbach is in possession of the books of the firm and asks that the receiver be empowered to take possession of the records. Hall and Otterbach were associated in business for many years, and only a few weeks ago dissolved partnership.

### Meyers Is Cuyahoga Speaker

CLEVELAND—Robert G. Meyers, special agent of General of Seattle, discussed "Bomb and War Insurance" at the Feb. 16 meeting of the Cuyahoga County Board.

### Ohio Mutuals Hold Meetings

The Ohio Mutual Tornado, Cyclone & Windstorm Association and the Federation of Mutual Insurance Companies are holding their annual meetings in Columbus this week. The State Auto Mutual also is holding a convention.

### Western Adjustment Kansas Shifts

Changes have been made in the Western Adjustment office in Great Bend, Kan. G. L. Thomas of Kansas City, Kan., is the new resident adjuster, taking the place of A. N. Pomeroy, who goes to Hutchinson. Pat Spillman, office secretary, also has returned to Hutchinson.

### Start Course in Minneapolis

MINNEAPOLIS—Starting March 23, the Minneapolis Underwriters Association will put on a six months educational course offered by the Minnesota Association of Insurance Agents. The association will hold its quarterly meeting March 9.

### Austin Mutual Makes Report

Austin Mutual of Minneapolis in its new annual statement shows assets of

\$697,189, premium reserve \$222,515, guarantee fund \$200,000 and net surplus \$209,558.

### Hear Talk on War Cover

CLEVELAND.—The Cuyahoga County Board of Underwriters heard Robert G. Meyers, special agent for General of America, discuss "Bomb and War Insurance" at a dinner meeting.

### Omaha Hospital Line Divided

OMAHA—County hospital insurance totaling \$555,000 for three years was divided by the county board among six agencies submitting lowest bids, which ranged from \$690 to \$740.

The agencies awarded the business were W. K. Cameron, whose bid was the lowest; A. A. Westergard Company, Downs Insurance Agency, C. D. Hutchinson Company, E. E. Howell & Son and Calvin Wiig agency.

## NEWS BRIEFS

E. M. Jennings of General Insurors is a member of the three-man board that will have charge of automobile rationing in St. Louis.

Wayne M. Ropes, former Onawa, Ia., local agent, will seek the Republican nomination for secretary of state of Iowa.

Dr. M. F. Palmer of the Institute of Logopedics of Wichita University spoke to the Wichita Association of Insurance Agents.

S. M. Swope of the Swope-Brady Agency, Wichita, was elected president of the Kansas Commonwealth Club at its annual meeting. R. M. Cauthorn, also of Wichita, was renamed executive secretary.

George C. Whitmar, assistant publisher of the Iowa Insurance Service Bureau, Des Moines, talked before the Insurance Women's Association of Cedar Rapids, Ia., on the advisory rule book. A list of questions previously prepared was answered and new ones brought up.

The quarterly meeting of the Insurance Exchange of St. Paul will be held the evening of March 4.

## IN THE SOUTHERN STATES

### Employer, Paying Premium, Can Collect Even Though Insured Has Left Employ

ATLANTA—Judge Etheridge in superior court here ruled that an employer has a right to insure the life of an employee and to collect the proceeds of a policy or policies, even though the employee had severed his relations with the employing firm before his death. The decision awarded to Lipscomb-Ellis Co., Atlanta local agency, the proceeds of two \$25,000 policies on the life of the late A. B. Chapman, a key employee of the firm for several years.

The policies were taken out in 1929 by the Weyman Mortgage Co. and Weyman & Connors, insurance and realty corporation, and both policies were assigned to Lipscomb-Weyman-Chapman Co., now Lipscomb-Ellis Co. Mr. Chapman, an employee and officer of the two companies when the policies were written, severed all business relations with the successor company in 1937, but Lipscomb-Ellis Co. continued to pay the premiums.

Mr. Chapman died last September and his executor claimed that no insurable interest could rest with Lipscomb-Ellis Co., as a constructive trustee, in

Mr. Chapman's life. The court held the original companies buying the insurance had a right to assign it to persons or companies having no insurance interest in Mr. Chapman's life.

### New Virginia Qualification Bill

RICHMOND—An agency qualification bill has been introduced in the Virginia legislature. Instead of providing for a special board to examine license applicants, as originally planned, the examining authority is vested in the state corporation commission. Robert V. Baldwin, Jr., Norfolk local agent, is patron of the bill.

The house bill to prohibit deviations from fire and kindred rates in Virginia has been killed in committee.

The house bill to prohibit deviations of the personal property floaters in Virginia is scheduled for committee hearing this week.

### Woman Heads Florida Local Board

FORT LAUDERDALE, FLA.—Mrs. Mabel C. Barwick, owner of the Copeland Insurance Agency here was elected president of the Broward County Insurance Association. She is the first woman local board president in Florida. W. D. Chandler, Hollywood, is vice-president;

E. M. Mattis, Fort Lauderdale, secretary-treasurer. Mrs. Barwick was the leading spirit in organizing the Broward County association, composed of agents in Fort Lauderdale, Hollywood and Pompano.

#### Sharp to Address Tenn. Exchanges

NASHVILLE, TENN. — President Vernon Sharp, Jr., and Manager R. T. Cawthon of the Tennessee Association of Insurance Agents addressed a joint meeting of the Gibson County (Trenton) and the Jackson Insurance Exchanges at Jackson. On Feb. 26 they will address the Knoxville Exchange at noon and the Johnson City Exchange at 7:30 p.m. They will address the Chattanooga Exchange Feb. 27.

#### Staggering Work Hours

NASHVILLE, TENN.—Inadequate transportation due to reduced use of private cars is compelling a "staggering" of work hours in insurance offices here. Chief among them are National Life & Accident and Life & Casualty. T. Graham Hall of Hall & Benedict, president of the chamber of commerce, is directing the working out of a system to relieve peak loads on the bus transportation system.

#### Much Salvage on Tobacco Loss

LOUISVILLE—Loss on tobacco belonging to the Axton Fisher Tobacco Co., and stored at a warehouse at Camp Taylor, just south of the city, is not expected to run anything like the \$500,000 to \$750,000 indicated by the company at the time of the fire.

The tobacco has been spread out to dry and it is found only a small part of it was damaged by water. The company needs the tobacco badly, and is more than willing to use any of it that is not damaged.

#### Murray Heads Georgia Mutuels

Lawrence Murray of Columbus was elected president of the Georgia association of Mutual Insurance Agents at the annual meeting in Atlanta. W. S. Conner, Douglas, is vice-president, and J. Bryan Willingham secretary-treasurer.

#### Moreland Handles New Branch

A branch office has been opened in Houston by the T. E. Braniff Company with Clyde B. Moreland in charge as special agent. He formerly was with Larsen & Co. and is well known in the Houston territory. The office is in 403 Bankers Mortgage building. He will supervise Houston and southeast Texas.

#### Watt Dallas Division Manager

Charles M. Watt has been appointed division manager of Retail Credit Company with headquarters in Dallas. He has supervision over Mississippi, Arkansas, Louisiana, Texas and New Mexico. He has been with the company about 18 years, and previously was assistant operating manager in the home office at Atlanta.

#### Hold Okla. Convention in Tulsa

The executive committee of the Oklahoma Association of Insurance Agents has rescinded its recent decision to hold the annual meeting May 22-23 in Oklahoma City. It will be held in Tulsa as originally planned.

#### Annexed Area Gets Lower Rates

As a result of its annexation to Richmond, the suburban area of Westhampton has been given lower fire rates. Rates on brick dwellings in this area have dropped from 20 to 16 cents per \$100 and on frame dwellings from 26 to 24 cents.

#### NEWS BRIEFS

Clifford Wetzel, past president of the Oklahoma Association of Insurance Agents, has been elected president of the Ponca City chamber of commerce.

The annual meeting of the South

Carolina Association of Insurance Agents will be held June 11-12 at the Columbia Hotel, Columbia, S. C.

The Atlanta Association of Insurance Women will hold its election March 11

and will install the new officers April 8, which will be "bosses' night."

The Louisville Board had a special showing of the film, "The Fire Bomb," for members, friends and a few guests.

## PACIFIC COAST AND MOUNTAIN

### Slate Pelletier for F.U.A.P. Head

SAN FRANCISCO—F. J. Pelletier of Hinchman, Rolph & Landis, former president of the California Association of Insurance General Agents, has been nominated for president of the Fire Underwriters Association of the Pacific. R. L. Countryman, Norwich Union, is the nominee for vice-president; H. B. Mariner, for reelection as secretary. Executive committee nominees are W. G. Rich, Royal-Liverpool, now president; Pelletier, Countryman, Charles A. Craft, Phoenix Assurance; Joy Lichtenstein, Hartford; L. S. Gregory, Fireman's Fund; H. F. Badger, Pacific Board; H. B. Mariner; J. P. Breeden, Corroon & Reynolds; F. C. Beazley, Phoenix of Hartford; J. H. Martin, Standard Forms Bureau.

Mr. Pelletier was nominated to replace Clifford L. King, vice-president for the past year, who would succeed to the presidency but who is resigning because of ill health. The election takes place March 5.

James Mussatti, general manager California state chamber of commerce, who will speak at the meeting March 5, has taken as his subject, "Government and the American Economy."

Business sessions will be held this year in the Fairmont Hotel because the Stock Exchange auditorium where meetings have been held for the last several years, is now in use by the federal government. It is expected that a

number of insurance commissioners of the Pacific coast and mountain states will be present.

#### Questionnaire Raises Standards

DENVER — Commissioner Kavanaugh states that his questionnaire, virtually amounting to an examination of applicants for licenses, has increased appreciably the standards of agents. The questionnaire has resulted in rejection of about 10 percent of the 7,500 applicants who have asked for licenses to write fire or casualty insurance.

The companies dropped 325 agents, Mr. Kavanaugh said, and the state turned down another 400 as incompetent to sell insurance. Only four of those rejected requested an additional examination.

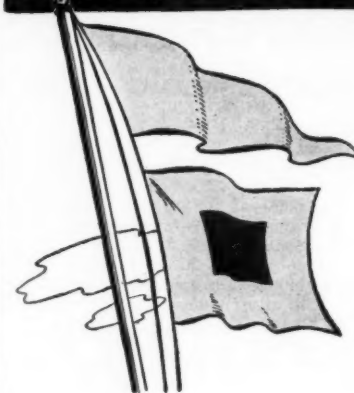
#### Increase in Values Emphasized

E. M. Leonard, special agent of America Fore, spoke on increasing values at a luncheon meeting of the Spokane Insurance Association. All property, real and personal, has increased sharply in value and this should be considered by agents in writing renewal business. Producers should urge insured to bring appraisals up to date. A round table discussion followed Mr. Leonard's talk.

#### Arapahoe Club to Meet

SAN FRANCISCO—One of the outstanding social and business events of Fire Underwriters Association of the Pacific week in San Francisco each year is the get-together luncheon of the

## STORM WARNING!



Once more the world is in conflict

ONCE MORE, then, Norwich Union is playing its part during a time of a national emergency.

It is a part that the Norwich Union has frequently played before . . . soundly . . . successfully . . . for its agents and clients, for a period of almost a century and a half.

The "storm warnings" are out again in the world, today. And today, as always, the Norwich Union and its agents are proud to do their share in aiding industry in these times when National Defense is so all-important.



# NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

EAGLE FIRE COMPANY OF NEW YORK  
NORWICH UNION INDEMNITY COMPANY

75 Maiden Lane, New York, N.Y.

Incorporated 1799

## PROVIDENCE WASHINGTON INSURANCE CO.

Incorporated 1928

## ANCHOR INSURANCE COMPANY

The founders of the Providence Washington Insurance Company inaugurated the American agency system by the appointment of agents in New London, Connecticut, in 1803.

This Company and its affiliate the Anchor Insurance Company have consistently relied upon the agency system for the production of—

FIRE—WINDSTORM AND ALLIED LINES  
OCEAN and INLAND MARINE—ALL RISKS  
AUTOMOBILE—COMPREHENSIVE—FIRE—THEFT  
and COLLISION

Home Office: 20 Market Square, Providence, R. I.



Arapahoe Club, members of which formerly worked in the Mountain Field around Denver. This year the affair will be held on March 3. William Deans, Selbach & Deans, is chairman, and Cyrus K. Drew, editor of "Western Underwriter" is scribe.

#### L. A. Exchange Hears Bond Talk

LOS ANGELES.—R. S. Possinger of Aetna Casualty and P. J. Gauthier of Employers Liability, bonding superintendents of their companies here, discussed fidelity and surety bonds at a meeting of the Insurance Exchange of Los Angeles.

#### Seawell Assumes Post

SAN FRANCISCO—More than 100 attended the luncheon of the Fire Under-

writers Forum of San Francisco when W. T. Seawell, Jr., Interstate Underwriters Board, presided for the first time as president. L. Larry Casserly, San Francisco fire department discussed incendiary bombs.

#### NEWS BRIEFS

The Insurance Women of Denver March 21 will give their annual card party and fashion show where defense stamps will be used as table prizes. Crum & Forster have donated a \$25 bond to be used as a door prize.

Mrs. Ella Arthur of the Mountain States Inspection Bureau answered insurance questions of those attending a meeting of the Insurance Women's Club of Pueblo, Colo.

action of responsibilities and opportunities.

The Aetna Casualty motion picture, "Forty-five Years of Progress," portraying the origin of the National association and highlights of the Kansas City convention, was shown.

## MOTOR

### Auto Dealers in Vermont May Be Licensed as Agents

The agents licensing law of Vermont does not prevent the licensing of automobile dealers as agents, Attorney-general Parker has concluded in an opinion to the insurance department. The Vermont law does not require that applicants for license make insurance their "principal" business and the fact that automobile dealers might be placed in

a "favored" position in soliciting insurance on the cars they sell is not to be considered as material in passing on the worthiness or competence of applicants. The granting of a license, according to the attorney-general, should be based upon individual qualities of character that are mentioned in the law.

### Auto Title Bill in Kentucky

An automobile certificate of title act has been introduced in the Kentucky legislature.

### Duclos Elected in Ottawa

OTTAWA, ONT.—Ralph Duclos was elected president of the Ottawa Fire & Casualty Insurance Agents Association. He succeeds John Kirby, who resigned to give additional time to his duties as the new president of the Ontario Fire & Casualty Insurance Agents Association. Other Ottawa of-

## EASTERN STATES ACTIVITIES

### Phila. Society Banquet Brilliant

PHILADELPHIA—The 40th annual banquet of the Insurance Society of Philadelphia Tuesday evening drew an assemblage of nearly 1,000.

The banquet was opened by a patriotic pageant from the stage which consisted of a presentation of the colors, aug-



H. R. DISSTON

mented color guard and the singing of the "Star Spangled Banner." Then a parachute trooper descended from the top of the stage to the ground amid the explosion of bombs.

Just before the dessert course, a huge birthday cake was carried up to the head table by four waiters and President

John W. Donahue was the first to slice the cake.

H. R. Disston, vice-president of L. H. Gilmer Co., was the principal speaker.

#### Many Executives Attend

John Glendening, vice-president of Home, reviewed briefly the history of the society, noting that the Insurance Institute of America was founded in that company's club rooms. Guests of honor included numerous insurance executives from Philadelphia, Baltimore and New York and several men who helped found the society 40 years ago. John Donahue, president of the society, introduced two Philadelphia men who received first and second place honors in the nationwide 1941 courses conducted by the Insurance Institute of America.

#### Northampton Board Elects

NORTHAMPTON, MASS.—The Northampton Board of Insurance Underwriters elected Gordon A. Woodward, president; J. J. Warner, vice-president, and R. K. Noble, secretary-treasurer, at its annual meeting held in connection with the Massachusetts agents' training school here, attended by about 18 members of the board.

#### Automobile Panel in Pittsburgh

PITTSBURGH—A panel discussion on "Automobile Liability Insurance," with emphasis on the newly approved medical payments endorsement, was conducted at the monthly meeting of the Pittsburgh Association of Insurance Agents, by Val E. Schott, Aetna Casualty, chairman; A. M. Battistini, Hartford Accident, and Walter S. King, U. S. F. & G.

Charles A. Reid of Wallace M. Reid & Co., president, outlined objectives and reviewed accomplishments of the organization and called for increased consider-

## BEST SELLERS

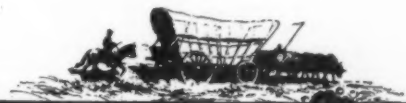
"Water, Water, Quench Fire"  
selling Fire Insurance

"The Fox Was Hung"  
selling Fur Coat Insurance

"The Midnight Mystery"  
selling Sprinkler Leakage

"The Big Blow"  
selling Windstorm Insurance

These little best sellers, published by the Springfield Group, should be read by all your clients. They are proving to be best sellers of the coverages they feature. Have you read them yet? Write to the Business Promotion Department for samples.



## THE SPRINGFIELD GROUP

WALTER E. CRUTTENDEN, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
CONSTITUTION DEPARTMENT . . . SPRINGFIELD, MASS.  
SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
MICHIGAN FIRE & MARINE INSURANCE COMPANY . . . DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

## OF FIRE INSURANCE COMPANIES



INCORPORATED 1794

# THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

308 WALNUT STREET, PHILADELPHIA

FIRE • AUTOMOBILE • LIGHTNING • WINDSTORM • USE AND OCCUPANCY  
INLAND TRANSPORTATION • TOURIST BAGGAGE • RENT INSURANCE • PARCEL POST

Officers are: Vice-presidents, J. G. Shaw and C. Patton; secretary-treasurer, F. R. Crawley.

### Allsopp Sentinel General Agent

E. B. Allsopp of Edmonton has been appointed general agent for the province of Alberta by Sentinel Fire. The Sentinel was formerly under the supervision of R. K. Mackay, Alberta inspector of the Springfield group.

The Manitoba Blue Goose held its annual supper dance Feb. 13 in Winnipeg.

## MARINE

### Issues Modified PPF in Mo.

ST. LOUIS—The Laclede agency, representing General of Seattle, has announced that General is now issuing a modified personal property floater in Missouri. The form combines in one policy the coverage usually provided under separate fire, extended coverage and residence burglary contracts, but grants slightly broader protection in several respects, including 10 percent coverage outside of the named residence. Yet the cost is less.

The Missouri floater is a named perils policy, which covers on property belonging to or used or worn by the assured and members of the family of the same household, while at the address named in the policy or at any new address provided the company has been notified prior to loss, and elsewhere to an amount not exceeding 10 percent of the amount of the policy. The limitation of 10 percent does not apply in the case of the removal of the entire property in transit from one location to another. It also covers on property belonging to guests and servants up to 10 percent of the amount of the policy.

### Fishing Crews Get War Cover

New England fishing boat owners have agreed to buy insurance of \$5,000 against war risks on each member of normal crew and \$200 for personal effects for three months' period. Fishing boats have been tied up for five weeks by a walkout of fishermen on the issue of who would pay for the protection. Union fishing crews on the west coast recently were granted the same coverage by the fish canning industry there. The cover is carried by owners for crew members now generally throughout the merchant marine. The unions have made quite an issue of it in negotiating contracts with owners.

The protection is a marine cover. It varies to some extent, but ordinarily is indemnity for loss of life and for total disability as a result of war hazards. Some dismemberment features may be included. The protection and indemnity marine cover can be extended to include wages and bonuses, repatriation expenses, hospitalization, etc.

## Renewal Procedure Is Live Subject

(CONTINUED FROM PAGE 5)

connection with the policies that contain a long schedule but these policies are referred to frequently throughout the year, some almost daily, and they wear out so that a new copy has to be made periodically anyway.

Some believe that use of certificates

would actually increase the filing complications in company offices rather than simplifying the procedure. Under the present routine, an old daily report is sent to the dead file, usually six months after expiration of the policy and the current daily report is the only one in the live file. Under the renewal certificate plan the theory is expressed that the live files would become fattened by attachment of the renewal certificates to the original daily report and would become cumbersome. It would still be necessary for the companies to "pull" the daily and check the rates against the certificate.

Some company men say that a good many agents have embraced the idea of the use of renewal certificates on the theory that a great deal of typing would be saved but some of the company men express doubt that there would be a very substantial saving in this direction. Even those who have a negative attitude towards the proposal admit that there would be a saving in paper but they do not believe that the saving in printing cost would be of first importance because the type is standing anyway.

### Might Put Brakes on Liberality

Still another point is made that the use of renewal certificates would have a tendency to discourage the broadening and improving of forms. In the past few years a great deal of carpentry work has been done with forms and recently company men say that hardly a day has passed when some new form has not come to their attention. In the middle west the dwelling form was twice changed during the past year and there may soon be another change. However, even those who emphasize this possibility admit that the tendency to change forms may have come to a halt, at least temporarily, as a result of the war situation anyway.

These are some of the typical questions that are being raised, not necessarily in an antagonistic spirit, but in an attempt to apprehend consequences and to weigh the value of the proposal against obstacles that might be encountered.

Although the idea of using renewal certificates is being seriously considered, the proposal of President Diemand for the issuance of more or less perpetual policies, comparable to the life insurance practice, with the assured automatically being billed periodically finds very little support at the moment.

### Insurance Commissioners

The insurance commissioners could be very influential one way or the other insofar as the use of renewal certificates are concerned, it is generally believed. If the commissioners should endorse the idea strongly, then that might be very well the influence that would cause a favorable decision to be made. Commissioner Johnson of Minnesota was the first of the state officials to speak a favorable word on the use of renewal certificates but he made the reservation that a new policy should be issued every five years when the insurance is on the annual basis, that renewal certificates should be used only once for a three-year policy.

Superintendent Pink of New York gave a measured boost to the idea when he announced that he is considering the advisability of requesting the New York

legislature to repeal the specific requirement in the New York law that a policy must be issued upon renewal.

One of the casualty companies that for years has been using renewal certificates for accident and health, for burglary, for plate glass and for certain types of surety bonds has from time to time considered the advisability of extending the use of such certificates to other lines and recently surveyed the situation anew in view of the current interest in the proposal. However, this company has definitely decided against extending the practice. It feels that the use of renewal certificates is practicable only insofar as policies are concerned that go along pretty much from year to year without change both in the policy itself and in the conditions surrounding the risk. Insofar as automobile is concerned, this company feels that there are too many changes being made, such as trading of cars, increasing of limits, changing locations, etc., to make the renewal certificate practical as a time saving or paper saving scheme.

## War Motif Marks Mid-year Gathering

(CONTINUED FROM PAGE 5)

tial loss in premium income in view of the rationing of automobiles and tires, while there also opportunities to increase premiums, particularly accident and health. Mr. Westervelt suggested the need for setting up an unearned commission account in agency bookkeeping with a percentage of automobile commissions set aside to care for the almost certain cancellations. He recommended that from 15 to 20 percent of commissions be thus set aside during the coming year and 50 percent during the second year.

While there is a prospect of falling inventories in mercantile properties as rationing becomes more widespread, Mr. Westervelt pointed out that many retail and wholesale establishments are currently under-valued and under-insured and there should be a considerable percentage of additional volume obtainable by analyzing present business and soliciting increased coverages where indicated.

### Don't Spend War Profits

Mr. Westervelt warned against any tendency to consider profits from war business as a permanent thing and urged agents not to attempt to increase their own living standards on the basis of such earnings. Many agents are adopting the sound policy of using none of

**FACTUAL APPRAISALS**

Impartial Valuations  
of Industrial and  
Commercial Property... A  
quarter century of factual  
appraisal service to Amer-  
ica's more conservative  
business institutions.

**The Lloyd Thomas Co.**  
APPRAISAL ENGINEERS  
EXECUTIVE OFFICES

NEW YORK      CHICAGO  
350 FIFTH AVE      4411 RAVENSWOOD AVE.  
DISTRICT OFFICES IN OTHER PRINCIPAL CITIES

## Weavers

### ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

#### Consult Us Before Settlements

We reweave to perfection Burns, Stains and Damages in Rugs (Oriental & Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture. Finest Cabinet Refinishing of Furniture burnt by cigarettes.

All Work Guaranteed

**AMERICAN WEAVING COMPANY**

Est. 1910

5 North Wabash Ave. Bldg. 13th Floor Chicago  
Phone: DEArborn 1693-4



We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

More

GUNS  
PLANES  
TANKS • SHIPS

★

Top Speed! Top Production! Action 24 hours a day! This is the wartime creed of a unified, grimly determined nation to bring this war to an early and victorious conclusion.

Every man, woman and child is given the privilege of helping in the defense of our country. In whatever capacity we may now be serving, we can all do one important thing more:

**Every Week—Every Month**

BUY

UNITED STATES SAVINGS  
BONDS AND STAMPS

★

PACIFIC  
NATIONAL  
FIRE INSURANCE  
COMPANY

HOME OFFICE • SAN FRANCISCO

OFFICES IN PRINCIPAL CITIES

COAST TO COAST

All Classes of Ocean and Inland Marine Insurance

**MARINE OFFICE  
OF  
AMERICA**

WESTERN DEPARTMENT  
INSURANCE EXCHANGE BUILDING • CHICAGO  
Offices in Principal Cities



their commissions from war business. H. C. Klein, secretary New York Underwriters, discussed "Use and Occupancy Insurance in War Time."

#### May Get Chain Store Cover

A hint that local agents may expect to share to a greater extent in the commissions on chain merchandising organizations' lines covering properties in their areas was dropped by W. F. Doyle, Lansing, public relations manager and legal adviser for the Michigan Chain Store bureau, in his talk on "How About These Taxes?" He cited one instance of a major chain which, he said, has maintained a huge use and occupancy blanket policy on its properties through one major company, with 39 other carriers participating. He said arrangements have been made that local agencies share in the commissions and that in 1940 there were 174 agents in 30 states profiting from this business.

#### Compensation Opportunities

David M. Martin, Flint agent who has been serving for the past year as a commissioner of the department of labor and industry, explained ramifications of the Michigan workmen's compensation law, noting that most agents shun writing this class of business because of its supposed complications. Many opportunities to write lucrative lines are now overlooked in this field. There are approximately 80,000 employers, he said, eligible to come under Michigan's elective act but only about half actually are operating under it.

Charles Adams, disability division agency secretary, Continental Casualty, discussed accident and health prospects in wartime and explained the new war risk riders. Insured entering the armed forces are being notified that their policies are being lapsed, with premiums returned on a pro rata basis. This problem is not acute, however, as the low average income of the young men being called for active military service prevented most of them from purchasing insurance. He predicted a definite upturn in accident and health sales as a result of the more acute consciousness of these hazards generated by the war.

#### Oppose A. & H. Social Security

The companies are trying to avoid any reduction in agents' commissions, Mr. Adams said. He urged agents to work through their Congressmen against proposed federal legislation to extend the social security act to cover accident and health and hospitalization coverages. In answer to questions, Mr. Adams predicted that the past trend to group coverage will change toward the sale of more individual policies. Asked about coverage of persons in the volunteer civilian defense services, Mr. Adams said British experience in this regard indicates there is no extra hazard involved and that losses have been lighter than among the civilian population as a whole.

#### Explains Part-Timer Plan

Seth R. Burwell, Michigan insurance department, outlined the program to discourage licensing of part-timers, evolved after conferences with agents and company men. The companies are to be notified shortly that the department regards with serious concern the appointment and licensing of part-time agents and solicitors who have no disposition to devote a substantial portion of their time to the business or to give adequate service to insureds. Companies are to be asked to go over their agency files and strike out names of part-timers who have consistently failed to show reasonable progress, particularly those in communities of 15,000 or more population. If the companies decide to thin ranks of

these unsatisfactory agents, they are to be instructed to notify the department immediately and no further requests for licenses for such agents will be entertained. The companies are also to be warned against promiscuous appointments at this time, tending to extend the part-timer evil.

Walter B. Cary, Detroit, reported on the speakers bureau. R. D. Billings, Great American group, Detroit, extended greetings from the Michigan Fire Underwriters' Association. W. O. Hildebrand, secretary-manager, explained the elements of the "V Plan for Insurance," and A. A. Smith, Lansing, discussed "Local Board Activity."

#### Informal Dinner Held

The evening before the conference, an informal dinner was held with Commissioner Berry and J. T. Hammond, Michigan senate insurance committee chairman, as speakers. The commissioner took the occasion to define the department's position in regard to unauthorized insurance, promising every effort to confine business written in Michigan to licensed agents and companies.

Motion pictures on Britain's war defenses, bombing of London and "Fighting the Fire Bomb" were shown during the morning session.

At executive committee meeting, the resignation of H. M. Thatcher, Pontiac, was accepted and H. W. Huttenlocher, Pontiac was named his successor.

Certificates of merit in connection with work done in insurance correspondence courses were presented by C. W. Dow, Flint, chairman education committee, and H. Thompson Stock, Detroit, University of Michigan extension service instructor.

#### Auto Theft Men Eye Partial Losses; Reelect Sauter

(CONTINUED FROM PAGE 4)

sidered out of hand. The only difficulty is that the total thefts are for the purpose of stripping, the thieves removing the really valuable items, such as tires, radios, grille work, etc. These show as recoveries, but what is left of the car is of little value.

Theft bureau managers who were in attendance were H. M. Shedd, New York; Claude Patterson, Atlanta; William E. Schoppe, San Francisco; E. A. Gormley, Dallas; E. L. Rickards, Chicago, and Theodore Gonzales, Mexico City.

Have you seen the Insurance Buyers' Digest? Write The National Underwriter for sample copy.

## Mo. Takes Drastic Action Against 7

(CONTINUED FROM PAGE 4)

testimony touching on the insurance business.

"The gravity and serious nature of certain testimony adduced, and now first brought to my attention during the pending litigation . . . to which considerable publicity has been given reflecting upon the acts and activity of certain men in the insurance business, has impelled me to give serious consideration to the same, for the full protection and information of the insuring public and in the interests of maintaining the highest standards of ethics and conduct in the insurance business as to company, agency and brokering activities," Mr. Scheufler's statement reads.

"Preliminary investigation has led me to conclude that I should suspend the authority of certain men to do insurance business as agents or brokers and to set a date . . . at which time hearings will start for showing of cause, if any, why their authority to engage in the insurance business should not be permanently revoked, or for such other orders as I may make pursuant to such evidence and testimony as has been and may be further obtained.

"The grave public impression, concerning certain exposures which have been implied in the press, in various ways reflect upon the great institution of insurance which, by and large, is administered by men of the highest integrity and efficiency. I consider it my duty to make full and reasonable inquiry into certain indicated activities which must be corrected in the interests of public welfare.

"In the interests of good government and good business practices and ethical conduct, I cannot permit matters of this kind to go unnoticed and unexplained."

#### Byrne's Inclusion Surprising

The inclusion of Mr. Byrne in the suspension list was an especial surprise since his name had not been connected with the Union Electric case. He has been in the insurance business here for 50 years and because of his advanced age spends only a few hours a day at his office.

Mr. Lawton long has been one of the outstanding figures of Missouri insurance circles. He started in the insurance business upon his graduation from Princeton University and has long been one of the large personal producers of the state. He was one of the organizers



For Present Profits  
and Future  
Opportunities—

FORESIGHTED  
AGENTS TURN TO  
THE  
RELIABLE  
Fire Insurance Co.

Selling Help from Reliable State  
Agents Helps Build Earnings

Increased earning power that  
builds your income is only one  
reason for affiliating yourself  
with The Reliable Fire Insurance  
Company.

You'll find that your profits  
increase as you work with Re-  
liable State Agents more and  
more—because these experi-  
enced men help you build sales  
and increase earnings.

For full information on increased  
profits write Wm. F. Kramer, Pres-  
ident; E. J. Weiss, Secretary; Re-  
liable Fire Insurance Company, Day-  
ton, Ohio.

#### STATE AND SPECIAL AGENTS

R. E. Metzger  
162 E. Dunedin Rd.  
Columbus, Ohio

Finnell & Finnell  
2527 David Scott Bldg.  
Detroit, Mich.

C. R. Dobbing  
3339 Carrollton Ave.  
No. 14  
Indianapolis, Ind.

For 77 Years  
a Name to Rely On!



RELIABLE  
FIRE INSURANCE CO.  
Dayton, Ohio

An Independent Ohio Company with  
current surplus to policyholders of  
\$1,080,286.77



The  
CHARTER OAK FIRE  
INSURANCE COMPANY  
~ HARTFORD, CONNECTICUT. ~  
ONE OF THE TRAVELERS COMPANIES

#### Reduce Insurance Rates

Recommend  
JUSTRITE OILY WASTE  
AND SAFETY CANS

Approved and Labeled by the Underwriters Labora-  
tories and Associated Insurance Mutual Insurance Co's.  
JUSTRITE MANUFACTURING CO.  
2807 SOUTHPORT AVE. CHICAGO, ILL.

and first president of the Missouri Insurance Council, which ceased to function a few years ago. He succeeded Mr. Byrne as president of the agency in 1938 and prior to that was vice-president and general manager. Agencies founded by Mr. Byrne and Mr. Lawton's father about 40 years ago or so were component parts of the Lawton-Byrne-Bruner Company.

In the absence of an agents and brokers qualification law in Missouri, Mr. Scheufler may have a difficult time legally maintaining the drastic action he has taken. In the absence of absolute proof that there had been a violation of Missouri's anti-rebating laws covering fire insurance he may find that he lacks proper legal authority to back up his stand.

Mr. Lewis stated: "I am an insurance broker and have conducted my business in a legitimate manner, as I have already testified at the trial."

Insurance refunds of between \$87,000 and \$90,000 were made to the Union Electric Company from time to time. It is understood that an investigation made by former Superintendent Lucas indicated that these refunds consisted of "experience rating credits, etc."

There was no testimony at the trial that commissions had been paid to unlicensed persons.

## Hint Canadians Decide Against Suspending Rates

(CONTINUED FROM PAGE 3)

"have been reduced during this period, but such reductions have not kept pace with the reduction in the loss ratio." Mr. Conant said unhealthy conditions, "which have attained such proportions that a remedy must be found, stemmed from the excessive number of companies in relation to the volume of available business, and the intense competition which has led to abuses and unsound methods and practices with increasing disregard for the public interests."

### Cites 50% Expense Ratio

He claimed that rates have become high, excessive commissions are paid and company expense has "reached or exceeds in many instances, 50 percent of the premium dollar."

Mr. Conant said many fire insurance executives have conscientiously sought solution in the removal of unsatisfactory conditions and the promotion of sound practices. He believed it was doubtful that the companies would be able to reach any agreement and "still more doubtful whether they would be able to enforce an agreement, not only because of individual company interest, but because of the strong pressure to which they are subject from their agents under present competitive conditions."

The attorney-general predicted that the recent resignation from the tariff organization of the North America "has now brought matters to a head and it appears not improbable that a rate war will develop if a plan to remedy the situation cannot be agreed upon and enforced."

### Real Danger to Public

He warned that, while the public might secure temporary benefit from a rate war, if carried to extremes, a rate war becomes a "real danger not only to the solvency of the companies, but to the public they insure."

He pointed out that Ontario insurance laws do not provide for the regulation of fire insurance rates and commissions. Mr. Conant, at the same time, stated he believed that the less government interferes with business, the better it is for both. He then warned that the government might be forced to take action, adding: "It is for the insurance companies themselves to

avoid such action by necessary and voluntary regulation."

## America Fore Resigns From Canadian Body

NEW YORK—The Continental-Phenix-Niagara group, which is the Canadian branch of America Fore, has resigned from the Dominion Board of Underwriters and the Canadian Underwriters Association. The resignations become effective in three months as provided under the rules governing resignations.

The Canadian Underwriters Association met Tuesday at the Seignory Club, Montebello, Que., to vote on a proposal to suspend the rates and rules in Ontario and Quebec. Discussion of the highly controversial rate and commission situation occupied the entire day and the meeting was continued Wednesday. The proposal to suspend the rules and rates had not reached a vote by Wednesday noon and it looked as if discussions might continue through Wednesday afternoon and evening and possibly part of Thursday.

The Eastern Canada situation was brought to a head about a month ago by the North America's announcement that it was withdrawing from the Dominion Board and the C.U.A. Two weeks ago W. E. Baldwin of Montreal, manager of the Continental group, informed its agents in Ontario and Quebec that while these companies found themselves largely in accord with the North America's attitude, "the Continental-Phenix-Niagara group of companies will not submit to having its hands tied, its business disrupted, and its loyal agents sacrificed by any such action."

He strongly criticized those who were keeping rates at a level which resulted in abnormal profits to tariff and non-tariff companies and warned of the resulting pressure on agents by the insuring public to find, legitimately, a lower priced market. He quoted figures to show how tariff companies' premium income has dropped in Ontario and Quebec since 1924.

## Certificate Used by Hartford A. & I.

(CONTINUED FROM PAGE 19)

the certificate number, for the type of policy which is continued in force thereby, the number of the policy, the premium, the policy period, space for countersignature and there is also a statement to the effect that Hartford Accident hereby agrees with the named insured in consideration of the payment of the premium for which the certificate is issued, that the policy designated is continued in force for the period stated herein. This paragraph goes on to say that if during or subsequent to the term of the policy, the insurers' applicable manual of rules and rates or a revised edition of the policy shall extend or improve the coverage then such extension or improvement of coverage shall inure to the benefit of the assured, subject otherwise to the agreements, conditions and limitations of the original policy and endorsement.

### To Explain to Assured

Until the procedure has become well established with assured, Hartford Accident intends to have the agents enclose with the continuation certificate a form of sticker that will explain the change that has been made and emphasize that the assured is getting just the same protection as if a bulkier document were delivered to him.

By dressing up the certificate, it is believed, the document probably will prove acceptable to those assured who might, without understanding the situ-

ation, think they were being deprived of something and also it is likely to prevent some assured from throwing the certificate away, thinking that it was advertising literature. Years ago when renewal certificates were used by some companies, on occasion there were some mixups because assured had not paid any attention to the renewal certificates.

Hartford Accident states that by actual test, the continuation certificates can be prepared in from one-quarter to one-third of the time that policies can be typed.

### Policyholders to Benefit

The policyholder, the Hartford Accident observed, will benefit in the long run by the savings that are made as this is a definite step to cut the cost of doing business, to reduce the differential between losses paid and premiums received.

Hartford Accident predicts that the use of continuation certificates will eventually result in cutting down the turnover in the business because there will be less disposition on the part of policyholders to switch business from agency to agency. The psychology of the continuation certificate is very different from that of a new policy. The continuation certificate when mailed to an assured accompanied by a bill, properly conveys the impression that the policy is intended to continue in force and that it is merely a question of paying for the coverage. That is the effect that such certificates had in the personal accident field and also fidelity business, which continues in force without the expense of the turnover that applies in other lines.

### COMMERCIAL STANDARD ACTION

Commercial Standard of Texas has instructed its agents to issue renewal certificates instead of new policies for all lines except fire, motor carrier filed policies, workmen's compensation, public liability and all reporting form contracts. Commercial Standard, in addition to emphasizing the savings in paper and time by this procedure, states that it is likely to produce a higher renewal ratio because an assured is less likely to refuse a renewal certificate than he is a new policy.

### Marine War Risk Changes

NEW YORK—Marine underwriters this week lowered the war risk rate on cargoes carried on Seatrain vessels on trips between U. S. Gulf ports and Havana from three-quarters of 1 percent to one-half of 1 percent. Earlier in the week they withdrew from the published rate schedule all voyages to points east of Cape Comorin except Australasia. Cape Comorin is the southernmost point of India. The action thus affects such places as Ceylon, Madras and Calcutta. Rates will be quoted only on application.

### Ready with Fire Policy Revision

The company committee which has been working on a revision of the New York standard fire policy has virtually completed its work and expects to have its proposal in the New York department's hands within a week.

### Rename Massachusetts Officers

BOSTON—The Massachusetts Casualty Underwriters Association at its annual meeting reelected all its old officers: President, Duke C. Dorney, Jr., Maryland Casualty; vice-president, Harry A. Sawyer, Aetna Casualty; secretary, E. M. Peabody; chairman executive committee, Frank O. Sargent, Employers Liability.

William Sutton, Los Angeles special agent of Pacific Employers, addressed the Long Beach Women's Insurance Club, on compensation insurance.

## Ryder Tells How to Cut Use of Paper in Casualty Field

Ambrose Ryder, assistant vice-president of Great American Indemnity, is author of an extremely timely article to appear in The Casualty & Surety Journal, entitled "Less 'Paper Hours' for Insurance." He contends that there must be drastic reduction in consumption of paper and that there will come with this a reduction in "man-hours." He gives a few practical suggestions on how the objective can be achieved. First of all he favors use of abbreviated policies, which he terms "Policerts," which would eliminate much phraseology and merely guarantee conditions of the standard policy on file with the state. He feels such a step is preferable to the use of renewal certificates. Also there could be indicated on the "Policert" that certain designated endorsements were included in the protection.

Mr. Ryder recommends that state and federal supervisory authorities and insurance people arrange for a central filing with I. C. C. authorities and the state. A great saving of "paper hours" would result because of elimination of minor differences in requirements. He points out that in Massachusetts the auto p. l. coverage is broken down into five different items and these could be consolidated. The handling of insurance for New York cabs and buses could be simplified.

There should be an effort to eliminate "not wanted" policies, perhaps by not typing a policy unless it is ordered.

The auto casualty rate manual now comprises 1,442 pages. It could be cut to 500 if minute differences between state requirements were removed.

Extra endorsements should be held to a minimum. Mr. Ryder has made a valuable, practical contribution to a question of the utmost current importance.

### Kemper Company Premiums Up

Premiums of Lumbermen's Mutual Casualty last year rose to a new peak of \$34,498,364. That was a gain of 18 percent over 1940. The largest gain of 37.4 percent was in workmen's compensation and then came boiler and machinery with an increase of 33.9. Assets are \$45,363,288, increase \$3,980,561.

### Hear Sales Transcription

LOS ANGELES—The Accident & Health Managers Club of Los Angeles heard a transcription of the record, "Thumbs Up," presenting present day problems of sales managers. This transcription is to be discussed at the March meeting by an outstanding expert in salesmanship.

A. R. Robertson, 56, manager at Bridgeport, Conn., for Aetna Casualty, died Feb. 16. He joined Aetna in 1914 as special agent, serving in Springfield, St. Louis and Hartford. Becoming a member of the agency department in 1919, he was made field supervisor and in 1926 became manager at Bridgeport.

## Coming to Buffalo? BE SMART...BE THRIFTY

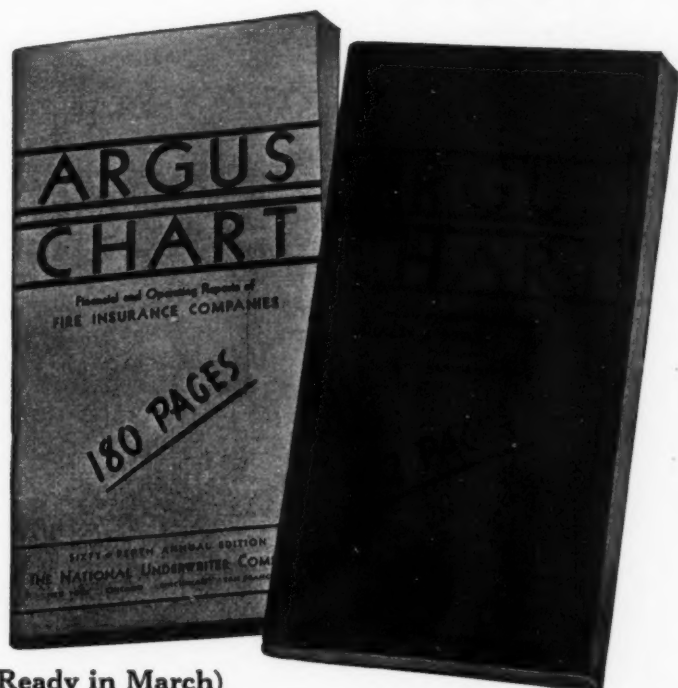
Stop at Hotel Lafayette, a hostelry esteemed by Buffalonians and all who really know Buffalo. Right in the heart of the theatre, shopping and business district. Fine, excellent food at sensible prices in our dining rooms and coffee shop. Garage across the street. The complete hotel, you'll be proud to stop at!

Moderate Rates  
Single \$2.75 Up  
Double \$4.50 Up  
Special Rates for 4 or more. Write for folder B.

**Hotel LAFAYETTE**  
BUFFALO, N.Y.



# The NEW Financial & Operating Reports of ALL Fire & Casualty Companies



(Ready in March)

## In Handy, Inexpensive Form

Placing a client's insurance in companies of unquestioned strength is the first duty of every agent. Thus every *real* "agent" is keenly and constantly interested in facts and figures on the companies because *to succeed at all*, he must serve his clients intelligently.

## You Need UP-TO-DATE Information

The New Statements covering 1941 are unusually interesting to the public as well as to you. Thus it is highly important for you to have the *latest* information always handy.

## You Need the "OBSCURE" Data Tool

Full preparedness involves the ability to answer the "unusual"—as well as commonplace questions. In fact, it is information of this kind—perhaps regarding a company only locally important—that you are much more likely to need frequently.

## Be Sure You Specify ARGUS CHARTS for 1942

(140 Pages of EXTRA INFORMATION—but NO EXTRA COST)

### Some Exclusive Features

Only Argus Charts provide Classified Aggregates (Totals) for all classes of companies; Company Changes in Name, Reinsurance, etc.; Group Affiliations by direct statement; Triple Cross-referencing (in the Fire Chart) between (1) Groups (2) Where Companies are Licensed and (3) Underwriters' Agencies. "Assets Analyzed with Percentages" and complete data on "Departments," are also features of the Fire Chart.

"Surplus to Policyholders" and "Total Liabilities" for stock companies are shown as separate items only in the Argus Fire Chart. "Reserves for Liability and Compensation" are separated from "Net Unpaid Claims" only in the Argus Casualty Surety Chart. Also in the Casualty Chart, Classification of premiums written for leading Mutual companies (as well as for all Stock companies) is shown.

### Special Accident & Health Section

A large special section on Accident and Health Companies is included in the Argus Casualty Chart and at no extra cost.

## Includes—"What you can't find elsewhere"!

Not only do the Argus Charts cover many more companies—(some 470 more than other Charts) but they also provide much additional "previous years" data on hundreds of other companies. Furthermore, they have a simple arrangement so it's easy to find what you want.

## Many Special Features

In the 140 extra pages of the Argus Charts are many special features of real value. (See "some exclusive features" herewith). This extra, "hard-to-get-elsewhere" information is often just what is most needed.

## Take Advantage of Their BROADER COVERAGE

### PRICES

(Each Chart figured separately)

Single Copy . . . \$1.00	50 Charts \$22.50
One of each 1.50	100 Charts 37.50*
5 Charts . . . 3.50	200 Charts 70.00*
12 Charts . . . 7.20	500 Charts 132.50*
25 Charts . . . 12.50	1000 Charts 220.00*

### Less in Larger Quantities

\*Includes free advertisement on back cover. Ads on smaller quantities at slight additional charges.

**Order Your NEW ARGUS CHARTS NOW!**  
(Essential to Every Agency)

**Rush . . . New 1942 ARGUS CHARTS**

Send . . . Fire Charts and . . . Casualty Charts  
(Attach Check on Single Copy and "One of Each" Orders)

Name . . . . .

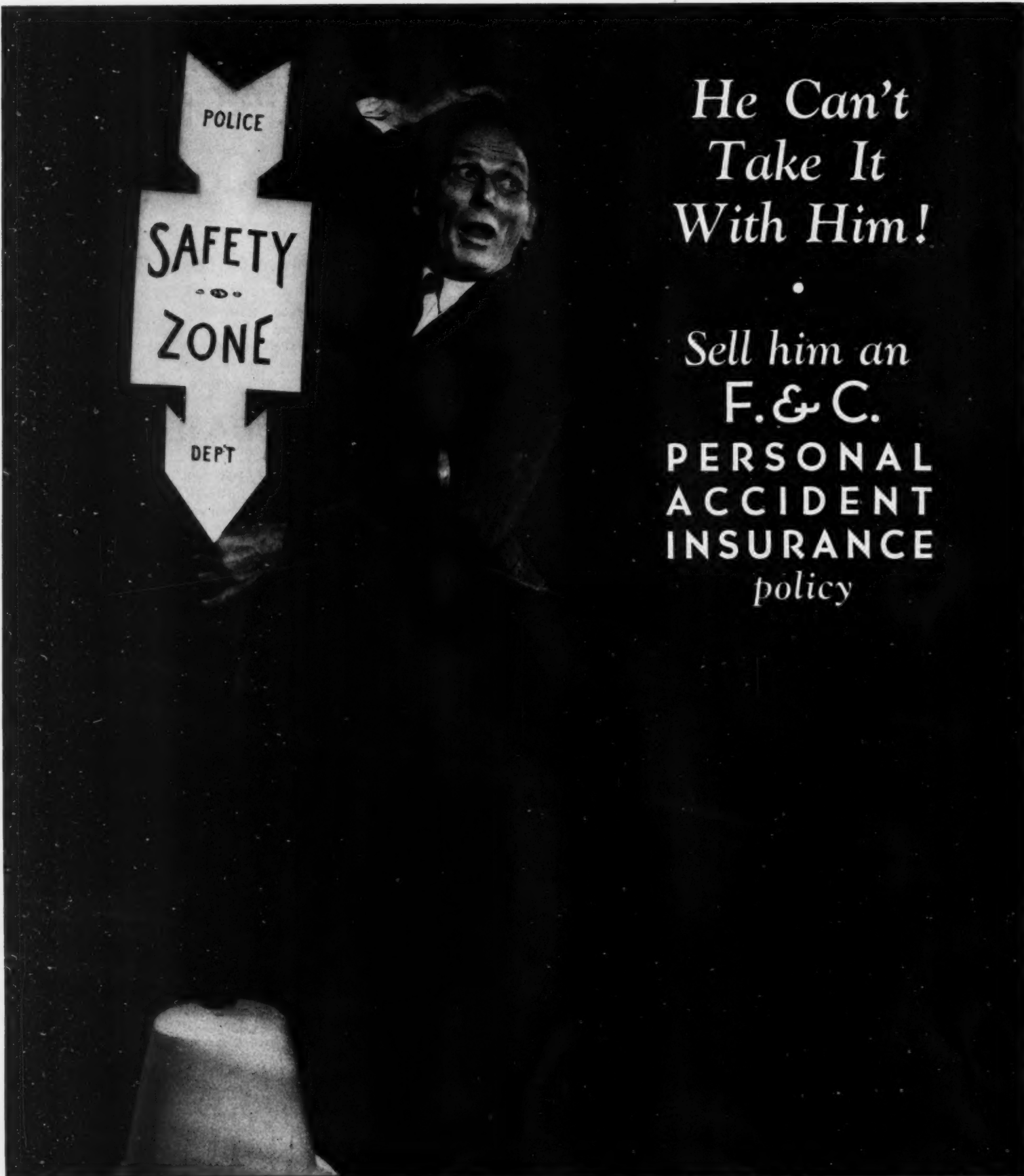
Agency or  
Company . . . . .

Address . . . . .

City . . . . . State . . . . .

To The National Underwriter Co.  
429 E. Fourth St., Cincinnati, O.

**Authoritative - Comprehensive - Inexpensive**



*He Can't  
Take It  
With Him!*

*Sell him an  
F.&C.  
PERSONAL  
ACCIDENT  
INSURANCE  
policy*

***America Fore Insurance***

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



***and Indemnity Group***

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice President

*New York, N.Y.*

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL



